

JPRS 75934

24 June 1980

# West Europe Report

No. 1592



FOREIGN BROADCAST INFORMATION SERVICE

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## BELGIANS WANT EUROPEAN MILITARY FORCE STRENGTHENED

Brussels SPECIAL-L'EVENING in French 16 May 80 p 9

[Unsigned article]

[Text] Two out of three Belgians believe that the USSR is attempting to extend its power in Western Europe; however, this opinion is more marked in Walloon country and in Brussels than in Flanders, and is more generally held among liberal and agricultural circles than among the working class.

In addition, two-thirds of the population feel that European military strength is inadequate in terms of the peace negotiations taking place between Western Europe and the USSR. While men are more firmly convinced of this than women, relatively few young people between the ages of 18 and 20 share this view. The most concerned with European strike capabilities are members of the liberal professions, workers in the private sector, and management personnel.

Two out of three Belgians also believe that the NATO alliance is not sufficiently close, and four out of five would like to see this bond tightened. While this opinion is particularly widespread in the private sector, it is not very strongly held among agricultural groups, and seems less prevalent in Walloon country than elsewhere in the nation.

Public opinion is more divided concerning the legitimacy of NATO missile deployment against the installation of SS 20 rockets by the Soviets. Men are in favor of this, while women are rather opposed; opinion is against it in Walloon country, and for it in Brussels and Flanders.

On the issue of whether politicians must ultimately decide alone on defense matters or whether they should consult with military specialists in making decisions, a very clear majority of Belgians (80 percent) is in favor of consultation.

Finally, two-thirds of the population feel that the military should have the right to let their opinion be publicly known concerning national defense. However, men are more in favor of this than women (70.8 percent against only 60.8 percent), particularly among the middle class and management personnel.

## BOURGES SAYS NEUTRON BOMB NOT RULED OUT BY FRANCE

Paris LE FIGARO MAGAZINE in French 17 May 80 p 87

[Editorial by Alain Griotteray: "Yes to the Neutron Bomb"]

[Text] An interview with the defense minister in FRANCE-INTER abruptly revealed the opinion that there was "a neutron bomb" of which, in the words of Yvon Bourges, "France has not decided to deprive itself." On the following day, the good apostles of the Communist Party flew into a rage and accused the government of calling in question the sacred--to them--strategic nuclear dissuasion policy established by General de Gaulle, which they once fought just as ardently. How time flies! It was not so long ago when it was considered good form to ridicule the general's "little bomb." As in the fable, the French frog wanted to become as big as the ox. Then it was realized that a policy of independence made sense, the outside world was taking it seriously and our power of dissuasion might perhaps be able to dissuade. The French were the last to admit it. Now, however, there is not a party that does not recognize the virtues of that policy.

If France, hardly over the ups and downs of decolonization, assumed its place again so quickly in a changed world, it was because it was successful in its industrial revolution while at the same time showing itself capable of determining its own destiny. But things move fast. There was a short moment after Hiroshima when war finally seemed to have been outlawed. A great military nation, aggressive, sure of itself, had brought about disarmament in a few hours. And West Europeans could not imagine themselves safe except under the American umbrella. Until de Gaulle, the French felt that way. The balance of terror came after American supremacy. The Russians set out to conquer the world by subversion. Europe felt it was protected: Germany by its great ally across the Atlantic. France, on its high horse thanks to its bomb, was able to take certain initiatives without fearing future blackmail by the big powers that subjected it to Suez in 1956.

Men are made that way: They will always find a new way to organize their battle. The petroleum war which the West has endured since 1973 shows even the most blind that there is a limit to the protection people think they can get. The American policy's hesitations distress our German neighbors,



who suddenly feel so vulnerable, in spite of their economic power, that they are sometimes seized by dreams of a neutrality like Austria's. France is aware of the weakness of a nuclear defense which protects it from a frontal attack on its soil but which can do nothing against the destabilization which develops. Men as different as Jean-Marie Daillet, in his paper on defense to UDF [French Democratic Union], Alexandre Sanguinetti, or Jacques Cressard, who reports on the army's budget to the National Assembly, opened the discussion. What progress, if one may dare to say it, are the Russians making in this area with the substantial means they possess! Our country, without renouncing the dissuasion which is the very basis of its security, should arm itself with a multipurpose military instrument: the neutron bomb.

This weapon, like tactical nuclear weapons, can serve as the final warning before crossing the strategic threshold. It can also make possible the creation of a network of antimissile missiles. The fact that it is a miniaturized weapon, the effects of which are limited to neutron radiation only, of short duration, casts it, in short, in the role of rapid reinforcement of our conventional forces, the inadequacies of which are well known. No one is unaware of the development, popularization, miniaturization and proliferation of nuclear weapons. France cannot refuse to recognize this development. The defenders of "all or nothing nuclear" have already locked themselves up in a sort of outdated Maginot Line. If dissuasion failed, it would mean the choice between apocalypse or surrender. With greater lucidity, we should also foresee an actual military dissuasion in which the nuclear weapon, neutron or not, would become ammunition on the field of battle. Tomorrow, neutron weapons could supplement, nay replace, part of the 6,000 American nuclear carriers stored in Europe.

If an aggressor from the East, having routed the armies of the Atlantic Pact, reached the Kehl bridge, France, under the protection of its dissuasion, would be alive. Would it still be free? As Michel Debre wrote in 1972, our country cannot be indifferent to its surroundings and limit its defense to its borders alone. It must face up to all its enemies' strategies, including indirect ones, encirclement or cutting off supply lines. Only the communists hope that France will not get out of the nuclear dungeon.

Once again, they are the spokesmen for those who want us to stay behind in a war, as in 1939. That is one more reason for keeping in mind the lessons of General de Gaulle, who defended tanks in 1934, the "bomb" for absolute dissuasion in 1960 and who communicated a willingness to adapt constantly to the modern world in every area, also and above all, alas, in the area on which a nation's independence depends: its defense.

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CSO: 3100

## PROBLEMS CONFRONTING FRENCH ARMED FORCES STATIONED IN FRG

Paris LE MATIN in French 21, 22, 24 Apr 80

[Article by Pascal Krop: "A Visit With the French Forces in Germany"]

[21 Apr 80, p 4]

[Text] Today, one out of every six enlisted men does his national military service in the territory of the Federal Republic, in the French Forces in Germany (FFA). Based since 1945 in the southwestern part of the country, France sends 38,000 recruits there every year, where they serve under the orders of 13,000 career military men. In addition the French civilian population living in the FRG numbers in the tens of thousands.

What are the reactions of local authorities and German citizens as a whole to these 35 years of French presence? Nor is the situation of the young enlisted men themselves without problems. Over 45 percent of the soldiers are from Nord or the Parisian region, meaning transportation difficulties, and for thousands, more precarious living conditions than they had known in civilian life. In these times of peace in Europe, does the national service symbolize anything more than "wasting a year" to young Frenchmen? LE MATIN talked about all these subjects with German and French officials and with many conscripts and career soldiers.

It is right on the border of the Black Forest in Baden-Wurtemberg that the 3d Hussars Regiment of Pforzheim is stationed. Here, French soldiers are in the midst of the traditional German forest, a productive forest where all the trees are of the same height and would not seem inclined to tolerate the slightest whim. Tomorrow, the 3d Hussars will organize their annual people's walk (Volksmarche).

This sport, which consists of a weekend family walk 10 to 20 kilometers in length over a route drawn by the organizers, is very popular in Germany.

For several hours, these collective and profitable walks transform the little forest paths into vast human highways.

For the Pforzheim event, several thousand inhabitants of the city, along with walkers who sometimes come from distant parts of Germany, are already entered. The route and stopping points where beer and sausages are offered -- to encourage possible "sports feats" -- have been set up by the 3d Hussars Regiment. Germany and French military authorities take great interest in these activities, which make it possible to establish contact between soldiers in the garrison and the townspeople. Does this mean that French-German relations are secure in all garrison cities? In Pforzheim, most bars and night clubs open in the evening are off-limits to the young Frenchmen because of a few incidents involving too much to drink. It is therefore surprising to hear Dr Klein, first assistant to the mayor of the city, explain that "relations between the French Army and the people are excellent."

"At the time of the July 1968 disaster that caused over 100 million marks in damages to the region, the French were the first to come and offer their aid. Furthermore, our geographical situation in the southern part of the FRG brings us close to the French," he adds. The same feeling is echoed by Colonel Savare, commanding officer of the 3d Hussars, who states that "every Christmas, many enlisted men are invited to spend the holiday with German families."

For several years, young Frenchmen and Germans have also been able to gather together in other places, such as the French-German Club of Pforzheim. "The by-laws were drawn up in 1968," explains Suzanne, the German official. "For us, it is a good opportunity to speak French, while introducing them to our city." "In the beginning," one German boy says, "I had many difficulties because many of the French mainly wanted to meet girls." As for the French soldiers, things are relatively simpler: "We now have a chance to meet new people," they say, "to get out of a solely male military world." These cultural exchanges still surprise the representatives of the two peoples. For example, one young German wanted to know more about LE CANARD ENCHAÎNÉ, but none of the French enlisted men read that satirical newspaper. A young German woman explained her complete amazement at the reflection of a French soldier: "How could he have said that we murdered Baader and Meinhof and made it look like suicide?"

[22 Apr 80, p 4]

[Text] Most of the soldiers in the French Forces in Germany (FFG) belong to the 2d Army Corps (the French land forces include three army corps), under the orders of General Brasart. Most of the soldiers in the infantry companies based in the FRG and the draftees belonging to engineering or tank regiments have annual commando training at one of the two centers located in Germany. The value of the training

and the physical tests to which the enlisted men are subjected during these programs are often debated. LE MATIN visited one of the centers, the one in Breisach, which receives some 5,000 soldiers every year.

This all-white village, which comes into view after a turn in a forest drive in the community of Hartheim, in no way resembles a commando training center. It is a picture right out of a western with houses which, unable to present anything other than their walls, have familiar names. Here is the Hotel du Cheval-Blanc, next to the butcher shop and the bakery, but the only inhabitants of this imaginary city called "Lanouville" will never be anything but soldiers.

In truth, it is a town with two streets, built by the armed services in order to train troops in street fighting. It is to this village that students from the Commando Training Center No 4 of Breisach come to practice. For a long time, the Armed Forces Operational Research Center has thought that in case of conventional conflict in the European theater, 70 percent of the fighting would be in the cities, whence the need to initiate French soldiers into this type of exercise.

There are now two commando training centers (CEC) in Germany (and five in France), including the one in Breisach. Over 5,000 soldiers, mainly from the infantry, receive three weeks of training every year. "These training programs do not exist in foreign armies," Colonel Bougerol, head of CEC-4, explains. "That is why our center will receive over a dozen foreign groups this year, Americans, English, Germans, Canadians. From the very first week, the different sections of the training company, divided into groups of ten men, must face the center's 'trail of daring.' The different drills are graduated, not in terms of difficulty, but in terms of the fear they arouse. From the 'Pont de Ouistiti' to the 'Grande-Roulette' and including the 'Tyrolienne double horizontale,' we have to teach the recruits to pass difficult natural obstacles in open terrain on steel cables. In order to do so, the distance separating the young recruit from terra firma gradually increases on the trail of daring."

Are there more accidents at CEC 4 than in the rest of the French regiments? When one sees these soldiers on two wires, sometimes 7 meters off the ground, one is tempted to believe so. "We do not have more accidents than they do elsewhere," one of the center's officials nevertheless claims. "The explanation perhaps stems from the fact that we do not particularly dwell on safety. There is, however, the required insurance on every one of the passages on the trail."

Speaking more generally, the training provided by the commando training center is not unanimously supported. Military officials are satisfied because they succeed better, during the commando programs rather than in the normal framework of the regiment, in developing a "spirit of unity" and in promoting a "cult of their mission and solidarity" among the young men.

"It is here," Major Cholet, in charge of the trail, explains, "that the men get to know themselves. There is a phenomenon of emulation which results in the fact that 98 percent of the enlisted men actually pass all the obstacles on the trail of daring. We are not trying to make James Bonds out of them, but soldiers."

This is decidedly not the opinion of a draftee instructor at the center, a physical education teacher in civilian life. "They do not really get the men into good physical condition. It is the psychological aspect that is most important here." This judgment is not incompatible with the sentiment shared by career soldiers: "It is true," they confess, "that in order to overcome fear, the center appeals to notions such as courage, which are particularly effective with enlisted men. At CEC 4 more than elsewhere, they feel concerned."

As for the soldiers, while some retain good memories of the center, others do not fail to protest some of its excesses. "During the raids at the end of the third week of training," Sergeant Belle explained, "they scheduled up to two runs a day, immediately followed by another in the night. It was too much." Soldier Azoulay, who is completing his service in the 3d Hussars Regiment of Pforzheim, remembers about the training program the fact that it was "impressive and very hard." He adds: "I am still happy I went through the experience." His companion Guerin adds that "the most important thing for me is that I got through the three weeks because I never thought I could do all I finally did."

Many enlisted men share this feeling of having in a sense "gotten through it." In the past, the violent questioning of the training centers has been one of the issues developed by soldiers committees. In Breisach, for example, enlisted men twice founded a committee, in 1976 and 1978 -- the time of the strongest questioning the French Armed Forces ever had to face since the war in Algeria. That period is definitely over with. The suspicion some conscripts feel toward the military institution is now expressed in a passive attitude. It is a situation that Colonel Duguet, commanding officer of the 12th Armored Regiment, sums up in these terms: "They do not come here singing the 'Marseillaise,' but they do their national service without any problems."

[24 Apr 80, p 4]

[Text] Since 1975, the living conditions of conscripts have been a central concern of the army staff. Deplorable for many years, they have been marked by some progress more recently: better pay, a reduction and moderation in disciplinary measures. Furthermore, the decision to entrust garrison leaders with the task of managing their operating expenditures has, by doing away with useless spending, often enabled the latter to improving accommodations for personnel. All the necessary reforms have not been undertaken, however, especially by the French Forces in Germany. Today, Gen Pierre Brasart, who



commands the 2d Army Corps from his staff in Baden-Baden, describes the conditions for transporting young enlisted men to Germany as "unacceptable." In an interview granted to LE MATIN, he also hopes for an increase in pay for FFA soldiers, considering the exchange rate of the mark.

[Question] Why do the services of the Ministry of Defense send one young conscript out of six to Germany?

[Answer] When France left NATO in 1966, the German Government expressed the hope that the FFA would be kept in Germany. The FFA are essentially made up of the 2d Army Corps. On tactical and logistic plans, an army corps forms a whole with its support and backup, a whole capable of an action with a certain duration. In every one of our army corps, there is nearly the same percentage of conscripts as there are volunteers.

[Question] How are relations how between the different FFA regiments and the German cities?

[Answer] It is a well-known fact that relations between the FRG and France have been good since the 1963 French-German Treaty. The quality of these relations is reflected at the local level between the garrisons and municipalities. For 35 years, the French garrisons have been part of the Baden-Wurtemberg countryside and the Rhineland-Palatinate. Efforts are made on both sides: The French learn the German language and become familiar with the area. The local German communities make good-will gestures and extend their welcome. Furthermore, we have relations with our neighbors in the Bundeswehr that are facilitated by the fact that they are two conscript armies facing the same training and instruction problems that are not those of the Anglo-Saxon armed forces.

[Question] Many young conscripts in Germany complain of transportation conditions. What is your opinion?

[Answer] You must look at where these young people are from. We try not to draft them from regions not in the center of the country. They are in fact from Nord, the East and the Parisian region. Every month, they can have a 72-hour leave. This poses a problem of transportation, which is essentially by rail and which involves 8,000 soldiers every weekend. When they enter France, they join the group of men on leave from the border regions. There is a problem of the quality of transportation which is not simple to resolve because the young conscripts do not have access to certain express trains and the equipment made available to them is not always the best. This is not acceptable, considering the fact that the Defense budget pays for their transportation. This question is being closely followed by the minister himself and progress has been made, particularly following the incidents that took place last year in Epernay.\*

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\* On 13 April 1979, several hundred conscripts ruined the cars of an SNCF [French National Railroads] train because it was 3 hours late on the Paris-Nancy line at Epernay (Marne).



[Question] Considering the value of the mark, does the pay of the young conscripts seem sufficient to you?

[Answer] The pay given to the conscripts in the FFA is the only specific indemnity that exists. It recently went from 15 to 24 francs. My predecessors and myself have made the request that this pay be indexed on the increase in the loan. There should be more recognition of limitations in the FFA.

11,564

CSO: 3100

## EAST-WEST TECHNOLOGY TRANSFER, COORDINATION COMMITTEE

Paris LE MATIN in French 5 May 80 pp 20-21

[Article by Hugo Sada on role of COCOM in technological exports to USSR, industrial espionage, circumvention of boycott on high technology exports to USSR: "The Secret Agents of Western Economy"]

[Text] Every week for the last 30 years they have attended meetings of an organization that does not exist, whose offices are in a building which isn't in the phonebook. Officially, they are diplomats, experts, engineers. In reality, these are the policemen of COCOM: they control the exports of state-of-the-art technology to the USSR and its allies.

In French, COCOM means "comite de coordination" [Coordinating Committee]. Coordination of what? Officially, the COCOM doesn't exist. You won't find it in any directory of international institutes or organizations or even, unlike the latter, in the phonebook. COCOM has no by-laws, no written procedures. It isn't connected with anything. But, for the past 30 years, representatives of the nations which belong to it have met at least once a week in a building on Rue Boetie in Paris. Meetings in absolute secrecy. Government representatives who are at the same time diplomats, spies and technicians and who operate in the most complete anonymity: fake names, covers in the embassies or international organizations. Hugo Sada investigated the secret missions and the methods of this mysterious committee whose task is to control exports of Western technology to the communist countries. And on the industrial consequences of its existence.

It all began in 1948 at the beginning of the cold war. Initiated by the United States, Washington, London and Paris planned to put into operation a coordinated policy of embargo against the "communist bloc." Birth of Communist China, Berlin crisis, Soviet A-bomb... events hastened the establishment of the project. In November 1949, they reached a "gentleman's agreement" for the creation of an organization which would prepare a list of everything which must not be sold to the nations of the East. COCOM was born. COCOM, i.e., Coordinating Committee. It started work on 1 January 1950.

Its founding members were the United States, Great Britain, France, Italy, the Netherlands, Belgium and Luxembourg. They were joined the same year by

Norway, Denmark, Canada and West Germany, then Portugal in 1952 and finally by Japan, Greece and Turkey in 1953. At that time, it was a question of setting up the toughest embargo possible against all the communist countries, on the economic level as well as the technological one.

Revolutionary China was the subject of even more severe treatment: during the Korean War and up until 1957, they even set up a little COCOM just for it, the Chincom.

During the 50's the system worked well. There was a political consensus. In the West, they felt threatened militarily. And, most importantly, the United States, at the spearhead of the anti-communist fight, had an awesome weapon at its disposal to ensure respect of its decisions by all the Allies. Aid to the Europeans was \$6.27 billion in 1949 and \$3.8 billion in 1950, whereas European exports to the East had barely reached \$832.4 and \$653.3 million during these 2 years. Even better: the law governing American exports, called the Battle Act, provided for withholding all aid to an allied nation if it went back on its promises.

But, over the years, American aid dropped off while sales of European products to the East increased markedly. The economic embargo was criticized more and more. American law became more flexible. The policy of detente instituted by Nixon did the rest. More and more desirous of exporting, the Europeans and Japan launched the assault on CEMA, the Common Market of the East. Western exports to the latter went from \$6 billion in 1968 to \$30 billion in 1977. And the American share declined to the point of representing only 10 percent of the total.

#### Red Army Trucks

Today, for the member nations of COCOM it is no longer a matter of maintaining a sort of economic blockade but rather managing a strategic embargo. In the detente period, the Americans defined their attitude by explaining that it was necessary to be guided by a double principle: the controls should not hinder exchanges, but at the same time the exports must not endanger the security of the United States and its allies. The control system exercised by COCOM has continually liberalized between 1970 and 1980 both with regard to the USSR and to China. The prohibitions were lifted for numerous products, either because the Soviets had acquired technical mastery for their production or because these products had become available without control on the world market, or finally because they no longer seemed to be strategically "sensitive."

Transfer of sophisticated technology only represents 2 percent or 3 percent of the East-West trade. But the main vendors of it are the nations of Europe and Japan. And the big benefit from these contracts is that in most cases they pave the way for a penetration of the markets of the East by enabling the signing of other contracts, much less "sensitive" but much more profitable. The Americans have their share. Thus, by supplying more than 130 licenses and numerous items of equipment, they allowed the Soviet Union to build the

KAMA truck factory whose assembly lines are computer controlled. At the time, the United States felt that the equipment question, even if it was usable by the Red Army, was no longer strategically critical. But trucks built at KAMA were used by the Soviet troops in Afghanistan, and henceforth the Americans will not supply a single spare part nor the slightest assistance to keep the KAMA factory running.

Since the invasion of Afghanistan, the United States has indeed been counting on using COCOM to strengthen controls and tighten up restrictions on sales of industrial equipment of the Soviets. But COCOM is a hard machine to operate. Recent history has shown that its members do not all have the same concept of the policy which should be implemented.

The operation of COCOM is, first of all, very complex and very ponderous. It rests on lists of products and technologies subject to embargo or whose sale should be controlled (monitoring of final destination and actual use). There are three lists, revised about every three years (see below).

#### American Bitterness

If a company wishes to export on one of these lists, it must send COCOM a waiver request via the appropriate ministry in its home government. This request is examined by the member nations who, after studying the file, issue recommendations. The procedures are often very long, since in the majority of cases the responsible agency of each of the member nations is consulted.

However, there is an important offset to the ponderousness of the system: the decisions must be unanimous... but they are not obligatory. And nothing obligates this or that country to submit a sale for authorization by COCOM...

This is what makes a lot of American manufacturers say that the system is a swindle. "Our government requires us to abide by the rules of COCOM," they say in the United States, "while the Europeans and the Japanese, with the connivance of their ministers, are continually cheating. We subject ourselves to very tough 'multilateral' rules, but we let the others do what they want. Every time it's the same thing. The Soviets get what they want, the others get the contract and the United States gets nothing!"

"The Americans have too political a view of the problem," they reply in Europe. "They don't have any vital need to export and cooperate. The markets of the planned economy nations, that's a drop of water in their foreign trade. And at any rate they are unrealistic. The Soviet Union always finds a way to solve its problem. When the Soviets want something, they can get it, either through indirect commercial channels or through countries which are not members of COCOM, or by other not so honest means. Refusing a sale is just a total, absurd loss."

If there is one point on which the industrialists are all in agreement on both sides of the Atlantic, it's on the fact that the activities of COCOM

have a dangerous consequence: it is, they say, a privileged ground for industrial and commercial espionage among allies. It enables pinpointing markets, outflanking competition, identifying selling methods, and even blocking certain contracts.

In fact, the rumors, accusations and denunciations have multiplied during recent years. And some cite, with bitterness but discretion, a few striking cases.

The oldest goes back to 1962. The United States tried to prevent the construction of the "friendship" pipeline which was to supply Eastern Europe with Soviet petroleum. To do this, they blocked in COCOM and in NATO the sale by West Germany of large-diameter steel pipe, forcing the Germans to cancel the deal. But work was only held up for a year, and the USSR took advantage of it to improve its own productive capabilities in that sector. Indignant, the Europeans are convinced that the American veto was merely the result of a maneuver by the oil companies. These feared that the Soviets would use the said pipeline to sell their oil to Western Europe at prices below the international market.

In 1973, it was again West Germany that informed COCOM that Kraftwerkunion has won a contract for \$600 million for construction at Kaliningrad of a nuclear powerplant. The Soviets would supply the Germans with electricity in exchange. Veto by America, echoed by Britain. Reason: the USSR didn't accept "on-site" inspections by the Vienna agency, that organization which serves as international nuclear policeman. West Germany tried to explain that the USSR has complete mastery of all these technologies. But they feared that the United States would cut off their deliveries of uranium by way of reprisals. After 3 years of discussions in COCOM, Bonn bowed once more. Again, the Europeans, incensed, explain that behind the United States decision was strong pressure from Westinghouse, which was interested in the Soviet market and certain others and wanted to eliminate KWU, too dangerous a competitor.

### A Strange Survival

1976: Cyril Bath, a machine tool manufacturer located in Cleveland, Ohio, was contacted by Autopromimport, a Soviet Government agency, requesting some ten metal presses, the specifications of which led one to think that they were going to be used in the aerospace industry. An interested reply by Cyril Bath which, a few months later, received an order... but for one machine. The American Government refused the export license and learned that nine machines of the same type had been ordered in France from Creusot-Loire. Washington brought the matter up before COCOM. The French, after having denied it, admitted the existence of the contract, but swore that the presses were intended for the automobile industry. Feeling that it did not involve a very advanced technology, Paris had not thought it worthwhile to run it through COCOM.

The best known affair is without a doubt the one concerning the Tass Agency computer. Although the American Sperry Univac had won the contract, in 1978

Jimmy Carter forbade the sale. A few months later, TASS bought a French computer from CII-Honeywell-Bull. In Paris, they claimed that it was not an equipment item included in the COCOM lists. Not exactly the opinion held by everyone. Whatever the case, several weeks before the signing of the SALT treaties, the White House lifted its veto and authorized the sale of computers of the same generation.

One could cite a lot of other cases. The sale by France to Poland of semiconductor technology from which the Soviets must have greatly benefited. The numerous mixed [government-private] corporations created by the Germans with third-party nations (frequently Scandinavian) which enable a very flexible application of COCOM's rules. Miniaturized electronic components sold at prices like gold and discretely transported in briefcases, i.e., escaping all controls. American multinationals who evade all the rules of the game by passing through their foreign subsidiaries...

COCOM has not helped to improve relations between the East and the West. Nor between the allies. Thirty years after its creation, everyone is more or less convinced that the embargos are absurd. Nevertheless, every week, at 58 bis rue La Boetie, COCOM carries on its tasks. None of its members has, as yet, requested that it be dissolved or announced that it was leaving it. Well, then? "As long as there is the slightest worry about the reality of the Soviet threat," concludes one diplomat, "COCOM has its reason for being."

#### The Three Lists of COCOM

The products or technologies whose sale is subject to control by COCOM are entered in three lists, subject to periodic revisions:

- \* The military list first of all, which contains all the weapons and technologies directly usable for war. It is the sacred list which everyone pretty much respects.

- \* The nuclear list secondly, which includes not only all the civilian and military equipment and technology but also the fissionable materials.

- \* The industrial and commercial list finally, which is itself subdivided into three lists of products whose sale should be more or less controlled. These involve various sectors: metallurgy, chemistry, electricity, propulsion, transportation, electronics, metals, raw materials, etc.

#### In Ten Years France Has Quadrupled its Exports to the USSR

(in parentheses the share of these  
sales in the total exports of France  
in billions)

1970	1.51	(1.5%)
1971	1.42	(1.2%)



1972	1.72	(1.3%)
1973	2.45	(1.5%)
1974	3.16	(1.4%)
1975	4.90	(2.2%)
1976	5.34	(2.0%)
1977	7.34	(2.4%)
1978	6.55	(1.9%)
1979	8.53	(2.1%)

### An Ultra Discrete Headquarters

Fifty-eight bis rue La Boetie isn't in the telephone book. No subscriber is housed at that address. And passing by, it is necessary to scan the eyes closely around this dull modern facade with the orange blinds which houses a branch of the Banque Populaire bank on the ground floor to find the inscription "58 bis." Only after having passed through some 20 meters under the 58 building and having crossed through a heavy metal gate does one come out into a little courtyard where four cars could scarcely squeeze in. And there, more mystery: the building, sheltered from overly indiscrete eyes, is marked with the American eagle, posted quite visibly over the door.

A few letters in copper which they have been careful not to polish too brightly read moreover, in the shadows of the passageway, "American Embassy."

### The Computer Policy of the USSR

It was toward the end of the 1960-1970 decade that the USSR, with the active cooperation of several of the Eastern nations, such as Bulgaria, East Germany or Czechoslovakia, started on the production of computers. At the end of 1972, the first generation of Ryad computers went into operation. Since then, the efforts have been intensified. Computer processing has become one of the areas where the USSR is seeking the most to achieve its technological independence. According to the experts, it is not likely to become a big consumer of western computers. Up until now, moreover, the orders have not been very large.

The policy followed by the Soviets with regard to computers centers on three points:

\* They are not looking for innovations. Their computers are always a long way behind those of the Americans. Every time a new technology has appeared in the West, the USSR has succeeded, with a certain delay period, in reproducing it.

\* They import virtually nothing in order not to be dependent. But that is not the case with the other East European countries. In particular, Poland and East Germany, who are buyers of technology, especially European. The latter amply serve the Soviets by circuitous routes. Every time the USSR buys a turnkey factory, it demands that the design include the most sophisticated computerization techniques. That's a more indirect, but more

effective, way of getting these technologies, since the supplier nation would certainly be little inclined to refuse, from fear of losing the whole contract.

Aware of the fact that a computer for civilian usage can obviously be put into service in the army, the United States has practiced a very restrictive policy, even more restrictive than that of COCOM. Because of their very large lead and their virtual technological monopoly, this is one the rare areas where their decisions can be imposed on the other members of COCOM.

#### How Sanctions Against the USSR Have Been Instituted

A few weeks ago, around the middle of March, the United States representative in COCOM returned to Paris from Washington, charged with a difficult task: get the European countries and Japan to give their active support to the embargo on sales of advanced technology to the Soviet Union. The Carter administration had decided to block not only sales of strategic products, but also exports of everything that could, in the short or long run, contribute to the Soviet defense effort. And the Americans canceled 400 export permit requests for products on the COCOM lists.

At the beginning of the year already, right after the invasion of Afghanistan, the member nations had been consulted individually by the Americans. They were seeking to evaluate the chances for success of their economic sanctions plan. Washington was asking its allies to also withdraw their waiver requests and planned to prohibit the reexportation to the communist countries of equipment containing American components.

At the headquarters of COCOM in Paris, they resolutely awaited the American representative. The British, they say, had reservations regarding the plan. As for the French and the Germans, it was a categorical "no." "No way," they said in unison, "is there going to be another tightening." Several months before, the revision of the COCOM lists showed a harder line with regard to the countries of the East. Everyone was in agreement: "Just because there is detente doesn't mean we have to lower our guard!" From that point to setting up a technological blockade was a big step that France and Germany were not ready to take.

West Germany, whose foreign trade share with the nations of the East was the largest, but which is also the country most vulnerable to American pressure, did not hide the uneasiness that the details of the American plan caused for them. The Americans, said the Germans, want to apply the restrictions to the sale of computers, telecommunications equipment, laser technology, but also mechanical fabrication products, chemicals, metallurgy, transportation... in short "these sanctions could hurt the allies of the United States more than the USSR," they commented bitterly.

Not only did West Germany not fancy ruining its industry, but it also did not want to expose itself to possible reprisals. Was it necessary to point

out that it gets 15 percent of its natural gas supplies from the Soviet Union and 40 percent of its enriched uranium? Not to mention the billions of dollars loaned by the German banks to the Eastern nations.

As for themselves, the French were very satisfied with the "good operation of the Franco-German connection in this matter." The reminder was given in Paris that although a member nation does not have the right to be less strict than the committee recommends, it certainly has the right to be more strict--and to go it alone in the matter. One worry: if the United States really blocked reexportation of equipment containing American components, that would be very difficult for France and for other European nations.

In reality, the technological weapon that Jimmy Carter decided to brandish after the food weapon is far from being absolute. "With regard to the grain," explained a certain American expert, "we know very well that the Soviets were not going to starve to death. But the embargo increases even more their worries. Already they have a hard time planning their production, responding to the increase in needs. Now, they know even less what is going to happen in the coming months."

But in the area of advanced technology and industrial knowhow, the Soviets are not very dependent. Even if their needs are enormous, their imports are limited. Their capacity to absorb foreign technology is low, and above all they are trying to increase their dependence. Except for certain key factors like chemicals, electronics, machine tools. Because there, they need to buy some time to compensate for their weakness in innovation and to save money on research and development. Thus, say the Americans, "if we succeed in forcing them to spend more money for industrial research, their defense effort will be more difficult to support. The technological weapon will thus have a genuine effectiveness." Indeed, if the Soviet Union had to simultaneously resolve a huge problem in grain supplies and substantially increase its industrial research expenditures, that would cost it heavily.

At the same time, the United States is liberalizing the exports of advanced technology to China. Several days after the embargo the Soviet Union, they published a list of strategic products henceforth accessible to Peking buyers. Everyone knows that the Soviet leaders are scared silly of anything that serves to facilitate the defense effort of the Chinese, especially the nuclear effort.

But the Europeans and Japanese are sceptical. Everybody is convinced that the technological blockade will not chase the Red Army out of Afghanistan. Even more, in the long run, this manner of using the technological weapon is going to push the Soviets into trying to get along even more without the products in question.

More serious still, but not for the USSR, is the possible extension of the embargo to petroleum research and exploitation technologies. The Soviets have an absolute need for Western technologies for exploiting the deposits of Siberia. If they don't open them up, they will run short. And if they

are threatened with a shortage, they may well become even more interested in the countries of the Persian Gulf and their oil. In truth, the Americans are still prudent enough to hesitate to interrupt the transfers of petroleum technology. They don't even hid their relief at the idea that the Europeans and the Japanese will continue to aid the Soviets in this area. And that makes the embargo ludicrous.

And then, the definition of an enlarged technological embargo seems chancy. How does one draw up a precise list of what does or does not assist the Soviet war effort? As Khrushchev said, with regard to COCOM in fact, "Why doesn't the United States put an embargo on trouser buttons because those keep Soviet soldiers from losing their pants?"

Finally, the American embargo concerns only the Soviet Union and none of the other nations of the Warsaw Pact or of CEMA. Does either of these set up such impenetrable barriers between the Soviet Union and its allies? Assuming that this isn't some diversionary tactic to divide the socialist camp, in response to Moscow's maneuvers to divide the capitalist camp. According to the German press, this joke is already circulating in the East: "The Russians have lost their last friends after the invasion of Afghanistan. But many are the capitalists who have remained faithful to them."

9550

CSO: 3100

## MAJORITY OF POPULATION PREFERS FEDERALIST REFORM

Brussels LE SOIR in French 14 May 80 p 2

[Article by P. L. : "A Majority In Favor Of A Federalist Reform Is Emerging Among The Belgians"]

[Text] In our previous issues we saw that a majority of Belgians has a stronger feeling for belonging to a language community or to a region than to the country. It is interesting to see to what extent this transformation in people's minds is translated into public opinion, in particular with regard to state reform. That is precisely the subject of the second half of a study started by the ULB [Free University of Brussels] and the UCL [Catholic University of Louvain] specialists on the Belgian's reactions on the Community.\*/ For one discovers that more Belgians favor a moderate or clearly federalist reform of the state, than would support the unitarian "status quo". Besides, the latter are decreasing in number. One also notes that a majority of Belgians feel their region could better

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\*/ This study, signed N. Delruelle-Vossewinkel and A.P. Frognier, was done by the Catholic University of Louvain in cooperation with the Free University of Brussels. The surveys were done by the Inter-University Institute of Public Opinion Polls (INUSOP) and by the Walloon Sociological Group (GSW). The study is supposed to stretch over a 4-year period (four other surveys are planned). It is financed by the Basic Collective Research Fund. The first results, obtained from a survey done between 1 June and 30 September 1979 on a sample of 1,659 people in the three regions of the country, are the main topic in the Weekly Mail of the CRISP [Center for Socio-Political Research and Information], No 880, 9 May 1980.



face the economic crisis if it had more power. Finally, an equally surprising observation is that there seem to be more Bruxellois attached to Brussels as a "full member region" than to Brussels as a "capital."

In order to find out what people's reaction was to state reform, those questioned were asked to choose a spot on a scale that had a unitarian state at one end and the establishment of a federal state at the other end. If one confines oneself to the positions at both extremes, either totally unitarian or totally federalist, one sees that the first group prevails (20.8 percent as opposed to 13.2 percent). That means that unitarian radicalism is greater than federalist radicalism. At the same time, when all are added up, more people favor the unitarian positions than the federalist positions. One out of about 3.3 persons favors unitarianism, while one out of four people favors federalism.

However, if one adds all those who want a federal state to those who favor a reform somewhere between a unitarian or a federal state, there emerges a distinct majority in favor of quite substantial changes in our institutions. In other words, those in favor of the */status quo/* [in italics] are now in the minority. It should be noted that 30 percent of the people questioned are not on this scale.

Here also, one can observe important differences by region. Opinions are most divided in Flanders: there one finds as many unitarians as federalists (25 percent and 24.5 percent). But the people at the unitarian end of the scale are slightly more numerous than those at the federalist end (15.5 percent and 12.3 percent, respectively). The highest percentage is of those with no opinion (34 percent). Flanders also clearly feels less unitarian than the other regions (25 percent of unitarians in Flanders, 42 percent in Brussels, and 38 percent in the Walloon region).

In Brussels, those at the far ends of the scale are somewhat more numerous than in other regions (28 percent at one extreme for unitarianism, and 15.5 percent at the other end for federalism). Median positions are also greater in number. What especially distinguishes Brussels is a relative low number having "no opinion" (10 percent) compared with the Walloon region (15 percent), and especially with Flanders (34 percent).

The answers given in the Walloon region seem to be very close to those given in Brussels: the unitarians clearly prevail in both regions.

Yet here again, if one adds the partisans of moderate reform to those of federalism, one gets a majority of reformers in Brussels and in the Walloon region.



## Unitarian "Crisis"

It is especially interesting to note the evolution that has taken place in recent years. This can be done thanks to a similar study done in 1975. In this regard, Mrs Delruelle and Mr Prognier noticed an especially big difference in the number of people having "no answer/no opinion." This number has doubled since 1975. In 1975 there were clearly more people for unitarianism. On the other hand, the median and federalist categories are very similar. Hence, at least some of the unitarians of 1975 could find themselves in the category having no opinion in 1979.

"In view of the results," write the authors of the study, "one sees that a resurgence of federalist leanings, that some people thought they detected in public opinion, did not materialize. On the contrary, one can rather see a 'crisis' in the unitarian attitudes, especially in Flanders. The federalist attitudes of 1975 and 1979 are quite similar, especially in Brussels."

## A Regionalistic Faith

The answer to another question still shows a certain faith in regionalisation. The people questioned were asked whether they thought their region could face the economic and social crisis more effectively if it had more powers.

In most of the country, opinions are divided. However, a majority (41.5 percent) believes that this would be the case, while 34 percent do not think so or think these questions are irrelevant.

In Flanders, 34 percent believe their region could handle the crisis more effectively if it had more powers. Also, 34 percent have no opinion on this matter.

There is a clearer majority in Brussels: 43 percent believe their region could face the crisis more effectively if it had more powers. A fairly high percentage thinks these questions are irrelevant.

A greater number of Walloons believe that with more powers their region could face an economic crisis more successfully (53 percent).

In other words, according to the authors of the study, one finds that "among French-speaking people, especially among the Walloons, there appears to be a clear connection between regional autonomy and a remedy for the crisis. Thus the Walloons consider community problems and what some call 'real problems', meaning economic and social problems, to be related. It should be noted that those who from the start identify with a community or a region are more optimistic in this respect than others."

### Choice of the Bruxellois: Region Rather Than Capital

Finally, the Belgians were also sounded out about the problem of Brussels. They were asked whether they preferred Brussels to be "a full-fledged region" or not "a true region, but the capital of a country consisting of two large regions."

This problem loses much of its interest in that a third possible choice was not offered to those questioned: that Brussels be a full-fledged region and at the same time the capital of the country. No doubt this option would have strongly modified the results obtained.

Having said this, the fact remains, and it is a new fact, that a majority of Bruxellois has chosen the status of a full-fledged region (44.4 percent) rather than that of a capital (39.1 percent). This gives some credence to the arguments of such personalities as Mr Francois Martou or Professor Delperee, according to whom one must separate the functions of the region and of the capital in order to resolve the problem.

Besides, one must remember that in the whole country the majority does not consider Brussels a full-fledged region, and that it must be the capital of a country consisting of two large regions. One suspects that these results are especially influenced by answers given in Flanders, and to a lesser extent by the Walloons; only 10.6 percent of the Flemings feel that Brussels should be a separate region.

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CSO: 3100

## MINISTER SIMONET'S WIFE IMPLICATED IN URUGUAY ARMS SALES

Brussels LE SOIR in French 18/19 May 80 p 2

[Article by Colette Braeckman]

[Text] Taking leave of the press, for he had known since the beginning of the week that his party did not particularly care to have him remain at the helm of Belgian diplomacy, Simonet intended to assess his department's policy. To that end, he prepared a statement describing his activities within the EEC and the Atlantic Alliance, his African and Zairian policy, his attitude in the Middle East affair and his initiatives in the field of defense of human rights. During the meeting, he stressed the temptation toward non-alignment which, in his opinion, is appearing today in Belgium as elsewhere in Europe, a trend which he considers dangerous. Simonet dwelt on the needed solidarity with the United States, even if this alliance does not exclude the right to criticism, especially when the United States are in an electoral period.

But this assessment and the recalling of recent debates on foreign policy in Belgium which proves that it has become once again a subject of interest and public discussion, are in fact overshadowed by the accusations published by the weekly FOUR. This magazine which is also publishing copies of many documents, states that Mrs Marie-Louise Simonet-Angenet personally participated in the negotiation which led to the sale of Belgium arms to Uruguay and in the departure, a month ago, of the Vera Cruz which was carrying 22 tanks and a large quantity of all types of ammunition to Montevideo from Zeebrugge.

Taking into account the particularly repressive nature of the Uruguayan regime which has one political prisoner for each 450 inhabitants, the affair generated much talk. Leftist circles, headed by the socialists, had protested sharply against the fact that the minister of foreign affairs had, without appeal, granted the requested export licenses. They argued that this contract, worth 320 millions, was part of a nearly 2 billion overall sale to be carried out in three stages.

Since then, the weeklies POUR, KNACK and POURQUOI PAS? have stated that Minister Simonet's wife was involved in this arms sale, a fact that the outgoing minister is still denying formally today, threatening to sue those who would maintain this statement or would not publish a denial.

However, in his last issue, POUR, relying notably on two embassy telexes and letters sent by Bogeco--a company headquartered in Buenos Aires--whose president, Pesang, is also chairman of the Belgian-Argentine Chamber of Commerce, state that this contract was negotiated during a trip to South America by a delegation from the Belgian company Beherman Demoen, a trip also taken by Simonet's wife.

Letters and telexes published by POUR indicated the forthcoming arrival in Argentina and Uruguay of two directors of the Belgian company manufacturing the BDX (an armored vehicle that is essentially earmarked to equip police and gendarmerie forces and, in the dictatorships of the southern cone, would therefore be essentially directed against the "internal enemy," that is to say, civilians, in case of strikes and demonstrations). These tanks are manufactured in Borenem by Beherman Demoen.

#### Simonet's Denials

On that subject, Simonet states that his wife never went to Uruguay, never negotiated arms sales in Uruguay or elsewhere, and that she left Beherman Doemen when it intended selling arms to the South American countries in question. Furthermore, Simonet released to the press a telex from Sergijsels--at the time an attaché with the Belgian embassy in Montevideo--stating that not only did his embassy have no contact with either Beherman Demoen's delegates or with Mrs Simonet but, on the contrary, he had approached Uruguayan authorities in an attempt to improve the situation of political prisoners.

#### The Buenos Aires Trip

However, despite this avalanche of detailed information and denials, the careful reading of POUR and of the published photocopies of the documents whose authenticity Simonet did not deny, leaves many doubts hanging in the air. It seems that, if in fact Mrs Simonet did not go to Uruguay (POUR does not state she did), she certainly went to Argentina in January 1978 with Beherman Demoen officials. And if she did resign as administrator, it was in July 1978; therefore, in January of that year she was still administrator of the company which manufactures the BDX.

Furthermore, her traveling companions did go to Uruguay. According to two letters published by POUR, the purpose of that trip was to "show in Uruguay" a 16-mm sound movie on the Belgian BDX tank. Even if Simonet's wife did not cross the Rio de la Plata, the weekly finds it difficult to believe that, traveling with Beherman and his son and as administrator of that company, she was unaware that the purpose of the trip was to sell arms. Besides, POUR (which states that it has even more revealing documents) published a letter

sent on 28 January 1978 to Minister Simonet by Turine, the ambassador of Belgium to Buenos Aires, explaining that the chairman of the Belgian-Argentine Chamber of Commerce "had contacted his embassy to obtain his aid on behalf of a commercial mission made up of himself, Mrs Beherman and her son accompanied by Mrs Simonet-Angenant. The purpose of that mission was to sell Belgian BDY tanks to the Uruguayan army."

Except for proving, during a possible legal suit, that this letter of Ambassador Turine is a forgery, it is difficult to see how Simonet can maintain that his wife was in South America for reasons other than those stated above. Usually, pleasure trips are not that carefully prepared.

Even if Uruguay already received the arms purchased from Belgium, the discussion will probably continue, for this affair not only implicates Simonet's wife (and as everyone knows Caesar's wife must be unimpeachable), but it also reopens the more general debate on arms sale to dictatorships of South America and elsewhere. It might also lead to the revision of the current legislation which, in the end--trade dictates--, leaves the responsibility of granting or refusing export licenses to the minister of foreign affairs. Draft bills to that effect have already been filed by Deputy Glinne.

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CSO: 3100

## BELGIAN NAVAL FORCE MISSION WITHIN NATO DISCUSSED

Brussels SPECIAL-L'EVENTAIL in French 23 May 80 p 8

[Article: "The Frigates of the Naval Force"]

[Text] Antisubmarine warfare is one of the principal missions assigned to the Belgian Naval Force within the framework of NATO.

Missions of an offensive character, such as search and destruction of enemy forces, are beyond the possibilities of a medium-size or small power. This role has therefore devolved to the fleets of the big Allied Powers. Thus, in order to enable the Belgian Naval Force to take on its mission fully, its chief of staff stressed, in 1963, the necessity of equipping this force with new vessels. And after several years of studies, at the instigation of the Ministerial Committee for Economic and Social Coordination and upon the proposal of the minister of national defense, the "Frigates" program was born. Four craft of this type, intended to replace the old escorts, the last of which was decommissioned in 1969, were ordered from the Belgian shipyards. Two frigates were built by the Boel shipyards at Tamise, and the other two by the Cockerill shipyards at Hoboken.

Thus, delivery of these four frigates was taken by the Naval Force between 20 January 1978 and 26 October of the same year.

While the godmothers are four princesses of the royal family, four cities--Malmedy, Sint-Niklaas, Gent and Charleroi--have agreed to be godfathers to these frigates. Thus, heraldic elements of these cities are in the emblems of these ships, which bear the names of banks of Flanders: Wielingen, Westdiep, Wandelaar and Westhinder.

The frigates are 106.38 m long and 12.30 m in beam. Propelled by two 3,000-HP diesel engines and a Rolls Royce gas turbine, their cruising speed is 16 knots, with a top speed of 28 knots. The crew consists of 14 officers, 84 petty officers and 59 seamen. Their range is 6,000 nautical miles.

The character of the frigates' mission has an essentially defensive aspect. It is for protection of the merchant marine against submarines in the North



Sea, the English Channel and even the Atlantic Ocean to a limit of 600 miles west of Penzance. It also has a defensive role against enemy surface vessels as well as against airplanes and missiles at very low and medium altitude.

To carry out their mission, the frigates have the most sophisticated weaponry and electronic equipment.

The armament includes a 100-mm cannon, missiles, 375-mm rockets and torpedoes.

The 100-mm cannon is entirely automatic and operates in its turret without personnel. Obviously, in addition to being remote-controlled, it can also be served manually. Its rate of fire is 60 rounds per minute. It is capable of shooting 13.5-kg projectiles to a maximum range of 17 km. Its use is essentially against airplanes or surface vessels.

The missiles are of two types: the Sea Sparrow and the Exocet.

The Sea Sparrow is an antiaircraft-defense missile. While it is used against airplanes and missiles, it can also be used against surface vessels. It is fired from a launcher that has 2 X 4 tubes, and on each side, a base movable in elevation and bearing. Each tube contains a missile 2.67 m long, 203 mm in diameter, and weighing 203.18 kg.

The Exocet MM38 is a missile against surface targets. Its destructive power is such that it can neutralize a whole surface ship, large or small. It is fired either one at a time or in salvos of two or three Exocets. The missile's total length is 5.20 m and its diameter is 350 mm. Its launching mass is 735 kg, and its speed reaches Mach 1.0. Each frigate has four Exocets.

For antisubmarine warfare, the frigates are equipped with two types of weapon: the L5 torpedos and the 375-mm rockets. The L5 torpedo is the most recent type. At a caliber of 533 mm and weight of more or less 10,000 kg, they have an active/passive search warhead. Their speed is 35 knots.

The 375-mm rockets are contained in a launcher divided into six tubes which are reloaded automatically. This launcher is connected to a sonar and a computer. The launching ramp is remote-controlled. The starting and launching of the rockets is determined by the computer, which receives its data from the sonar.

Search, detection and tracking of targets is done by sensors--that is, searchtracking radar, navigation radar, and firing-searching radar equipped with electronic countermeasure devices, as well as a friend-or-enemy identification system, for surface or air targets. As for antisubmarine detection, it is done by means of a panoramic hull sonar and a Link X system for automatic reception of tactical data.



On the level of safety, nothing has been overlooked for detecting and combating fires or leaks, reducing trim and list if water is taken on. Even NBC--nuclear, bacteriological or chemical weapons--protection is provided. Fast-acting valves, remote-operating, close off all openings to the outside. The two bridges have closed-circuit air-conditioning, and the air needed from the outside passes through NBC filters. Equipment for decontaminating the ship's external structures with sea water can be activated in case of need.

In a word, we can say that these frigates, the flower of the Belgian Naval Force, have the most advanced technology and are perfectly well-prepared for modern electronic warfare.

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ARMY DETACHMENT GUARDS NUCLEAR POWER STATIONS

Brussels VOX in French 21 Feb 80 pp 4-5

[Article by Francois Van Belle: "Doel, Mol Tihange: A Different Guard"]

[Text] The problem of protecting Belgium's nuclear power stations recently made the headlines in the leading daily papers.

Last 8 February, the Council of Ministers, meeting in an emergency committee, decided to entrust this mission to a special branch of the gendarmerie which would have 246 men.

With this in mind, the Minister of National Defense, Jose Demarets, is presently working on a bill.

"In the meantime, protection and supervision will be guaranteed by the military," said the prime minister, thus emphasizing the temporary nature of this situation.

At this time, we thought it would be worthwhile to evaluate what the army has done in this respect during the past months.

Since 17 May 1979, the guarding of nuclear installations at Doel, Tihange, and Mol-Dessel has been insured by the army. A detachment, the equivalent of a platoon of about 30 men, is permanently stationed at each site.

Under the operational control of the gendarmerie, they protect the stations against any acts of sabotage or possible military aggression.

Each detachment, having its own arms and equipment, regularly sends out patrols, by car or on foot, and deploys sentries around the site.

It is a matter of discouraging any terrorist activity, whatever its cause or reason.

Of course, the methods of intervention used by these detachments are determined by extremely strict rules.

First of all, their mission does not include the internal, technical incidents or accidents at the installations.

Besides, the military presence turned out to be efficient and discreet, and remains under the strict control of the military commander of the province. Finally, this intervention is essentially limited to informing the gendarmerie of any threatening or suspicious presence in the immediate vicinity of the installation.

At Doel, north of Anvers, the installation is guarded by a platoon from the 18th Artillery Battalion on horseback, quartered in Brasschaat, and by a navy patrol boat which patrols the Escaut and especially the waters opposite Doel.

"All is calm, nothing to report," we were told by the Hoogewijs and Pierens militiamen. The platoons earmarked for the guard consist of militiamen and volunteers, depending on their unit.

At Tihange, it was the turn of the First Ardennes Chasseurs to go on duty and it was evidently done with good humor.

"All's well. We are like pigeon-fanciers, we wait," a sentry said laughing.

Earlier, they had had the opportunity to visit the power station and to attend an educational film on energy problems.

Not far from there, the platoons for picket duty and those resting and lodged and supplied by the Engineers Headquarters in Amay.

If need be, they can act within a shorter span of time. "Besides, this enables us to have a part time instruction program," explained the platoon leader, Second Lieutenant Gyina, "which was impossible when we were living in tents."

Taking into account the particular dangers they present, the nuclear power stations are concerns like any others.

From then on they cannot escape public control which must see to it that no terrorist activities take place.

Considering that the outbursts in neighboring countries, an emergency measure was taken, namely, to have the army guard the power stations. This temporary measure was not put in place without serious problems for those carrying out the orders as well as for the military authorities.

The problems were essentially about lodgings and education, and the additional guards were a heavy burden.

In addition, the setting up of a special corps of the gendarmerie will allow our units to return to their garrisons, where they can devote themselves to their mission in time of peace, namely, to the education and military training of our volunteers and militiamen.

## COMMUNIST MILITARY ATTACHES DISCUSS POLICY

Nicosia KHARAVGI in Greek 15 May 80 p 1

[Text] "The countries of the Warsaw Pact have supported and will continue to support the just struggle of the Cypriot people. We are for Cyprus' independence, integrity, and a free and nonaligned policy for the Cypriot Republic, in favor of the elimination of all military bases, and for the withdrawal of all foreign troops from the soil of Cyprus. Let Cyprus be turned into an island of peace, where all Cypriots--Greeks, Turks, Maronites, and Armenians--will live and work in peace. Let the Cypriot people decide for themselves their own destiny, without the intervention of foreign forces which desire to solve the Cyprus problem to their own interests. The Cyprus problem should be solved on the basis of the resolutions of the United Nations.

"We believe that sooner or later, the just struggle of the Cypriot people will be crowned with success."

The above declarations were made by the military attache to the Bulgarian legation in Nicosia, Colonel (Zieliou Pramatarof), in speaking yesterday morning at a press conference at the Soviet Cultural Center. This conference was organized by the military attaches and the press offices of Bulgaria, the GDR, Romania, and the Soviet Union, on the occasion of the 25 years of existence of the Warsaw Pact.

Speaking on behalf of the member countries, Colonel (Pramatarof) referred to the history of this pact's founding and its purely defensive, peace-loving goals.

"The class-policy tenor of the Warsaw Pact"--he said--"is that it opposes those forces which are inimical to peace and socialism, and it opposes imperialism, which is trying to restore capitalism within the socialist countries.

"By its nature, the Warsaw Pact is not an ordinary military alliance. It is a military-defensive association of free, sovereign, and

equal-ranking socialist states, which are ready with all the means and forces which they command to defend their freedom and independence, and to maintain peace in Europe and throughout the world."

#### NATO Responsible for Tension

The speaker referred to the various proposals and initiatives which the USSR and the countries of this pact have submitted for the securing of peace, and he denounced the negative attitude of the NATO countries.

"The policy of the Western countries"--he stated--"is a policy of coercion, which is leading to the aggravation of international relations. We condemn such a policy.

"The administrative apparatus of the military-political alliance of NATO is responsible for the new turn to the arms race and the threat against the security of the countries of Europe and generally of the whole world," concluded Colonel (Pramatarof).

In answer to a relevant question, the military attache for the GDR, Commander (Juergen Harder), said that since 1976 the countries of the Warsaw Pact have not increased their military forces by even a single soldier, whereas from 1974-1979 the United States increased its forces in West Europe from 298,000 to 330,000 men, and that within the first 6 months of 1980 the number of its troops stationed in the FRG will rise from 234,000 to 242,000 men. Moreover, Great Britain increased its troops by 4,000 and the FRG by three brigades.

He also referred to the plan for establishing new nuclear missiles in West Europe, which began 3 years ago--as the former employee of NATO, Mrs (Imelda Verrept) revealed--and he compared these bellicose actions of the North Atlantic Alliance with the withdrawal of Soviet troops and tanks from the GDR, as well as with the entire peace-loving policy of the Warsaw Pact countries. "All these things," he said, "show who is following the path of detente and disarmament."

In answer to a relevant question on the dispatching of British warships to the Cyprus area, the Soviet military attache, Commander (Vladimir Elizarof), stated that the Soviet Union and the countries of the Warsaw Pact in general object to any military displays and interventions anywhere, and especially when these are directed against nonaligned Cyprus.

Furthermore, in answer to other questions he stated that:

The visit of President Kyprianou to the Soviet Union is in the preparation stage, and there are no considerations of expediency hiding behind the delay in its realization.

The events in Afghanistan and Iran are having a negative effect on the cause of detente, and this is because of the continuing aggressiveness of the imperialists in this area.

The USSR and all the countries of the Warsaw Pact will come to the meeting in Madrid with positive and constructive proposals, in the spirit of further advancing detente and following the path which was charted by the Pan-European Conference of Helsinki.

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## LOSS OF CONFIDENCE IN JORGENSEN SHAKES SOCIAL DEMOCRATS

Copenhagen BERLINGSKE AFTEN in Danish 25 Apr 80 pp 13, 14

[Article by Lasse Ellegaard]

[Text] The personality conflict in the labor movement became a political reality this spring that will have concrete consequences for future developments. At one of the meetings held by the government and LO [Danish Federation of Trade Unions] in March and early April prior to negotiations on the crisis plan, LO chairman Thomas Nielsen told the prime minister bluntly that as long as the head of the government is named Anker Jorgensen no agreement could be reached with LO. He could just as well have said, "Get out, Anker."

This explains why LO has chosen to fold its arms and wait in this round, why the group has entirely abandoned any effort to affect the negotiations in Folketing. Agreements with Anker Jorgensen aren't honored anyway, seems to be the feeling, and this has caused unrest among rank-and-file Social Democrats. "It is more dangerous for labor cooperation to have an LO chairman who doesn't get mad," one man explained. "It would be much better for us if Thomas Nielsen would rant and rave so people knew what the disagreement was about."

This point of view, namely that the two factions cannot always agree on everything all the time in the crisis society of the 1980's but that it is better to air such disagreements rather than keep them quiet, is spreading. Social Democrats are upset about the fact that currently it is no longer a matter of disagreement but simply a confidence gap between the two chairmen.

But Anker Jorgensen is not leaving, at least not if he can succeed in riding out the storm until the LO annual meeting of 1981 when Thomas Nielsen plans to resign as LO chairman. This decision, which is not yet official, but has leaked out to the labor movement within the last month, explains why Metalworkers Union chairman Georg Poulsen has been

expressing more agreement with the views of the LO chairman recently than is usually the case. Georg Poulsen, Knud Christensen and possibly the new chairman of HK [Shop and Office Workers Union], Jorgen Eiberg, are the most likely successors to Thomas Nielsen and jockeying for position has already begun. Another reason why Georg Poulsen is moving away from Anker Jorgensen is the government's abrupt shift on the nuclear power issue which reportedly left Georg Poulsen furious--partly because his union supports nuclear power in Denmark and partly because Anker Jorgensen's sudden switch without even briefing Energy Minister Nielson demonstrated the instability in the prime minister's decision-making methods that Thomas Nielsen has blown up at on other occasions.

Yes, Anker Jorgensen is in trouble but for the time being there is every indication that he can pull through. He has a very strong position in the party organization he leads, an organization numbering close to 125,000 members divided up into some 700 party societies, 103 district organizations, 15 county organizations and, of course, the party office on Nyropsgade in Copenhagen.

This organization, which had around 140,000 members before Anker Jorgensen's ruling period, then fell to 122,000 members in 1974 and is now experiencing a slight growing trend, functions so smoothly that each year it signs up between 25,000 and 30,000 new members--which is necessary just to keep membership figures steady.

The party has become more democratic in Jorgensen's time. The number of delegates to the party congress rose from 350-400 to 550-600 because now party societies choose their own people while in the past this was centralized to the district organizations. Each member pays 28 kroner a quarter (retired members only 13 kroner) and half the money goes to the party office on Nyropsgade, a small amount--about 3 kroner--goes to the local county organization and the rest of the money is used for the party societies. In 1978 this resulted in a central turnover of a good 6 1/2 million kroner and today the party is financially autonomous. The turnover for 1979 has not been added up yet since accounts do not have to be presented until the congress is held in September but by and large it should be about the same.

It is this apparatus that Anker Jorgensen also heads even though he leaves day-to-day "supervision" to his deputy chairman, Kjeld Olesen. And it is in this apparatus that democratization tendencies are showing up in the demand for decentralization. For example when the new organization secretary, Frank Weiner, was to be elected to the party's executive committee a travel secretary from North Jutland named Willy Stig Andersen, who was quite unknown at the time, got twice as many votes as Weiner, despite the fact that the latter had the support of the party leadership. It was after the election last October and the decision had to be put to the ballot in the executive committee before Weiner's

job was assured. "Today it's a handicap if you run with the support of the party leadership," said a party worker. This is also true in the nomination of Folketing candidates--in the old days the party leaders could decide who would run but that is no longer possible.

Democratization has also led to more public frankness about internal party disagreements, disagreements concerned mainly with how to tackle the crisis society of the future, whether they should adjust themselves to a lengthy opposition period in Folketing--and the Swedish experience has shown that this can last a very long time--or whether they should hold onto government power with the help of endless compromise solutions with the nonsocialist side of parliament. Anker Jorgensen is leaning unconditionally toward the second alternative but he is running into opposition, not just in the union movement but also at the heart of his own cabinet. And this opposition is becoming steadily stronger, culminating recently in what the newspaper BT called "open revolt in the government" concerning the main elements of the spring crisis package.

But the internal opposition lacks an alternative to the prime minister. On the one hand they are calling for a line with a more Social Democratic orientation--a "profile," as it is called--but on the other hand Anker Jorgensen is the only politician in the party at the moment who can project such a profile to the voting public. His karma, as it was called in the 1960's, is Social Democratic to the core although his concrete political moves are not. The party will have to live with this schism for some time yet and this has been the starting point for the weekend edition's series on the Social Democrats, on the party which--whether one likes it or not--forms the backbone of Danish society at the present time.

### Kingpin

Prime Minister Anker Jorgensen's public popularity is now at its lowest point since the period right after his stumbling debut as head of the country and of the party. At any rate it is a statistical fact that 51 percent of a representative cross section of Danish voters think that he and his ministers are performing their work poorly. Only 6 percent are satisfied, a fraction more than those surveyed in May 1973--while 36 percent are "somewhat" satisfied. Then we have the 7 percent who have no idea but all in all a failing grade for the leader of the Social Democratic Party.

If the Gallup figures bothered Anker Jorgensen you couldn't tell when he turned up on Tuesday, 15 April, just before noon in the ambassadors' room in the former Foreign Ministry which at the moment has been transformed into a noisy construction site. The prime minister was there to lead the weekly meeting following the cabinet meeting--a press conference,

and in spite of having a slight cold he was in good form, authoritative, immaculate in appearance as usual and--also as usual--totally impene- trable. Even LAND OG FOLK's seasoned Christiansborg reporter, John Wilken, who never neglects an opportunity to ask the prime minister unpleasant questions, admitted later in a more confidential mood that "he really has the format down pat." And the format was there when he glanced down the table where the press corps sat lined up--this too is part of the normal procedure--and said that he "could say briefly" that the rest of the government leaders had been briefed on the just init- iated talks with VKR [Conservative, Liberal and Single-Tax parties] and the "smaller parties" (the distinction is minute but it is there) "and then I will ask if there are any remarks...yes."

The signal for the period that might be called "open discussion" came with a wave of the hand and the first to ask a question chose the tactic of being somewhat derisively ironic when he asked: "Were the cabinet ministers enthusiastic about the initiative that was taken?"

"Yes," Jorgensen answered firmly, adding: "Enthusiasm is somewhat un- common but it was something in that line...yes."

#### Government Disagreement

If that reply corresponds to the reality Anker Jorgensen experienced in the hours before the press conference in the ambassadors' room there are 6 or 7 ministers who are very good actors. In actuality a substan- tial number of leading party comrades in the government found Anker Jorgensen's crisis package essentially ordinary, uninspired and at best traditional. And that attitude hadn't changed that Tuesday morning. Ministers Svend Auken, Ritt Bjerregaard, Jens Risgaard Knudsen, Erling Olsen and Erling Jensen were still of the opinion that there should be a more "Social Democratic profile" over the spring move, that one should not satisfy in advance the demands of the nonsocialist parties for big savings and--as they put it--"unimaginative business support," with the prospect of making even more concessions in the process of negotiating. But they had yielded to the government leader and his majority among the little group of cabinet ministers and it was a united government which presented the crisis package to the Social Democratic Folketing group just after Easter. Here it was approved after a meeting lasting 6 hours during which more people than usual took the floor and alter- native suggestions and criticism of the crisis package were expressed-- but characteristically this was done in an oddly defeatist mood, as it was later described. The group members in attendance had no confidence in their ability to alter the proposals that Knud Heinesen and Svend Jakobsen had stitched together into a political move. Everyone was aware that the conflict had gone "upstairs," in the cabinet itself and that the LO leaders over on Rosenorns Alle had chosen to lean back in their easy chairs without saying either yes or no. In short everyone knew that Anker Jorgensen with the support of Svend Jakobsen, Knud



Heinesen, Ole Espersen, Karl Hjortnaes, Poul Dalsager, Jorgen Peder Hansen, Poul Sogaard, Henning Rasmussen, Kjeld Olesen, Poul Nielson and, in the neutral corner, Lise Ostergaard and Dorte Bennedsen would once more outline Social Democratic policy to the opposition and the public.

"But I think it's almost the last time Anker Jorgensen will be able to deliver the goods," a group member said later. "He can't keep on preserving the illusion that the country can't get through difficult times without his assistance; there have been too many compromises for that and their perspective has been too petty."

### Strong Position in Party

Anker Jorgensen and with him the Social Democrats are in trouble--perhaps more so than ever in the postwar period. And the party chief's authority is likewise weakening, as demonstrated by a series of painful episodes between squabbling ministers and Folketing group factions recently. Even so for the time being Jorgensen's leadership is still unchallenged for--as another group member said--"he may have lost ground with the general public but he is still in a very strong position in the party."

In fact every time the prime minister turns up at a party society meeting the ovation is not only standing but lengthy.

When the party apparatus wants to sell Social Democratic viewpoints in an election campaign or in regular propaganda exercises it is Anker Jorgensen's portrait that is used. Even in the LO bureaucracy there are top people who say that it is better to have an Anker Jorgensen as leader of the party than some academic person people can't understand, after all he is the one who hauls in almost 40 percent of the votes in elections.

That is one side of it: Anker Jorgensen's undeniable appeal, as it is called in modern marketing language.

Another side is that at the moment there is no alternative in sight. Knud Heinesen is regarded as too weak and unpopular. Ivar Norgaard is too arrogant and unpopular. Erling Jensen may be popular but he is said to be very content with his position--he doesn't want to be prime minister. Those in the so-called "middle generation" who might be considered will not or cannot take a fight with the party leader for party control. "Keep in mind that a politician who wants to replace Anker Jorgensen before he decides to resign himself must be ready to stick a knife in his back and who dares do that now?" a Social Democrat asked rhetorically. "That is one of the reasons why there isn't really any crown prince or princess in the party and that fact might well mean that Jorgensen will stay in power for the next 5, 6 or 7 years."

## Younger Men Ready to Jump In

By then the younger generation will have enough experience to step in and take over and most people in the party point to two people as the most likely candidates for future party leadership: Svend Auken and Ritt Bjerregaard. They both have the necessary ruthlessness, they are both talented politically and both have strong support in the Folketing group and in the party. "Their only problem will be if they both try to get through the same door, if both aim at the highest post--in that case Svend Jakobsen could be the next prime minister," one observer said. "But otherwise it is likely that Svend Auken will be prime minister and Ritt Bjerregaard will be foreign minister. Here Auken's lines of communication with LO could be the decisive factor, while it is a handicap for him that he is constantly being mentioned as crown prince--the same problem Kjeld Olesen once had."

However, at the moment Anker Jorgensen is still what the party has to offer in the way of saviors and he relies mainly on two people, Knud Heinesen and Svend Jakobsen, the former finance minister and the current one. In the second rank of advisers the prime minister consults political spokesman Ole Espersen and Economy Minister Ivar Norgaard.

These four men make up two pairs. Heinesen and Svend Jakobsen who shared an office at Christiansborg in the opposition period under Hartling are close friends and cooperation partners. Svend Jakobsen got close to Anker Jorgensen back when he was tax minister. He retained his influence when he was placed in the more peripheral Ministry of Fisheries and today it is almost impossible to take a press photo of Anker Jorgensen without getting Svend Jakobsen in the viewfinder.

Knud Heinesen did not lose his influence over the chief when he moved from the post of finance minister to that of group chairman. On the contrary--at least it is his catastrophe theory of the approaching abyss that shines through the political initiatives presented by Anker Jorgensen. He was chairman of the savings group appointed last winter, he is chairman of the committee that will form a political plan for the party congress being held 4-7 July and he participates more in negotiations with the opposition than is customary.

But why did Heinesen leave? There can be several reasons and his own answer has been that one is so terribly unpopular as finance minister. Others have pointed out that Knud Heinesen doesn't want to be the finance minister who goes down in history as the man who brought down the administration "from within" because the economy collapsed completely. If one compares Heinesen's demand for big savings in the public spending sector, his abyss warnings, with the fact that he himself was in charge of public spending for a number of years, it strongly suggests that he would rather resign than take the enormous fight it will need, especially



with LO. And even so he went and stayed on at the same time, partly by retaining his central position and partly by having his closest friend take over his ministry (and accept his good advice). In other words, on the one hand Heinesen did not want to contradict Anker Jorgensen too much but on the other he did not wish to lose his influence and so he did the only thing possible, he put himself in a political post that does not depend on appointments by the prime minister but on recommendations by the Folketing group.

#### Norgaard Disappointed

Ole Espersen and Ivar Norgaard are also political friends and members of the same "coffee club" in the group. Espersen--it is said--has demonstrated political flair and an analytical sense and his inclusion in the "circle" as these four closest advisers are called, something that was recently re-established in opposition to the battalions around Hjortnaes and Erling Olesen, was reckoned as a gain for the government. But Espersen is also reluctant to say some simple truths to the chief and he is even more reluctant to contradict him and to an outsider he seems very cautious and devoid of real political visions. Many assigned such visions, especially people in the party's left wing, to Economy Minister Ivar Norgaard whose relations with Anker Jorgensen have been uneven since 3 October 1972 and whose presence in the "circle" probably has as much to do with the need for expertise as with presenting a unanimous front. But in the political initiatives Norgaard has worked on as economy minister it is hard to find perspectives one can properly call visions in the Social Democratic sense. Norgaard has not been able--or perhaps he hasn't tried--to incorporate a stringent social redistribution line in the proposals presented in the crisis package, for example, which contained all the old well-tested mechanisms. Ivar Norgaard's position close to the Social Democratic left wing means that many think he agrees with Auken, Bjerregaard & Co. in their criticism of such things as the crisis package but the lack of the Norgaard spirit in the proposals is confusing and makes him really hard to place in the power play going on around "King Jorgensen."

The principle of the "circle" is that it is expanded and reduced according to need. If important and comprehensive matters must be dealt with the appropriate ministers and committee chairmen take part, but even political decisions, the direction to be taken by the government and the party, are established by the little circle of five.

Another minister who is said to have some influence on the savings slant in the government proposals is Henning Rasmussen, the minister of the interior who was brought in from the mayor's office in Esbjerg after the election victory last October. Henning Rasmussen has strongly advocated savings, partly because as a municipal politician and as former chairman of the National Association of Municipalities he is well aware that some

savings can be made that will not hit the traditional Social Democratic groups quite so hard.

But LO and thus the "heavy end" of the government (the end that supports the LO opposition to the savings cuts) remains skeptical about whether the municipal models can be applied to national policy. This group, headed by Ritt Bjerregaard, has also tried to politicize the discussions in the government so that Svend Jakobsen's ideas about a "spending freeze" were followed up by an active and in this context selective business policy based on this principle: first create limits for the expansion of production before starting to cut down on public spending, otherwise the spending will simply be transferred to unemployment payments. This viewpoint, which is strongly endorsed by LO chairman Thomas Nielsen, was oddly enough also defended by Erling Olsen when the government discussed this at the end of March. And Erling Olsen is generally regarded as belonging to the right wing of the party. On the other hand Karl Hjortnaes, traditionally regarded as a left wing politician, does not oppose the traditional methods presented in order to make a nonsocialist compromise possible.

#### No Control Over Cabinet

Hjortnaes, who is a member of Ritt Bjerregaard's coffee club which is known for coordinating viewpoints, is--as they say--"not running any risks at the moment." Alert observers noted that he did not take part in the press conferences held recently, even when tax policy has been one of the topics discussed. His interest in blending into the existing background at all times is interpreted as meaning that he is determined to survive both as minister and as member of Folketing. There are several "issues" concerning Hjortnaes that Anker Jorgensen can't really ignore and his mandate in Arhus County is the most outstanding one; it could easily be jeopardized now that Gallup figures for the party are falling. With the fiasco earlier this year when he tried to implement a surprise compromise on interest deductions, a move torpedoed by Erling Olsen, he was motivated partly by a desire to shift attention from the tax issue that was getting a great deal of media emphasis but he probably also wanted to show that it was possible to reach important economic agreements with those on the left side of Folketing, in this case the Left-Socialist Party and the Socialist People's Party and later on the Radical Liberals.

What this showed was that Anker Jorgensen does not have his ministers altogether under control and he heard about this afterward in the editorial columns of the newspapers. One of his party comrades expressed it more cryptically: "Anker Jorgensen is an honest man with confidence in his colleagues."

What Hjortnaes did in the interest matter was to say that it had LO support which he based on a telephone call to LO economist Jorgen Freddy

Hansen who has no authority to make decisions. Jorgen Freddy Hansen said he had not expressed "support" but had simply agreed to pass the matter on and the upshot of the whole affair--as reported earlier in the weekend edition of this paper--was that Jorgen Freddy Hansen and Mogens Lykketoft of the Labor Movement Business Council asked not to have any more direct negotiating contacts with the tax minister in the future. This was communicated to the government by the LO leadership. There is more than one rift in the feelings of confidence between the two factions.

So Anker Jorgensen has been subject to criticism and his response has been partly to agree that the government had not done "well enough"--touching off even more criticism--and partly to criticize his ministers and Folketing members publicly for "making statements to both right and left," a remark aimed mainly at Erling Olsen who aired a plan to seal the Conservatives into a bilateral compromise (the two sides can get together on labor market and industrial policy), a plan that was put together with Svend Auken, Ritt Bjerregaard, Mogens Camre, Jimmy Stahr and possibly one or two others. Anker Jorgensen called this plan "fatally sick" in a speech at Lorry in which he asked party members to keep in line.

He doesn't take the press criticism very seriously even though there is no doubt that it was partly responsible for the voter disaffection referred to in the beginning of the article. He definitely doesn't take the criticism of Henry Grunbaum, former finance minister and soon former member of Folketing, seriously at all. Grunbaum's remarks that the prime minister lacks breadth of vision, that he is pursuing an incorrect economic policy and that he was disloyal to Grunbaum in 1973 have received more political attention than they deserve, even though they may be true. In the Folketing group--and in politics in general--a man stops being important the minute he announces his intention to resign.

#### Real Trouble

Anker Jorgensen's basic problem is the political conflict inside the government and the poor relations with LO and the Labor Movement Business Council, conflicts that lead even people very loyal to the party to say that "either the party or the country must have a new leader." This view can also be detected in the article LO secretary Bent Nielsen had published in AKTUEL on Monday, 14 April, in which he concluded that "if the many years of cooperation between the Social Democrats and the union movement should end in a break it would cause irreparable damage to both." We haven't seen such a naked threat from an LO leader who is close to Thomas Nielsen before. Bent Nielsen wrote his article last week, after the Gallup figures indicating a Social Democratic decline had been released and, he wrote, "the important thing is that Social Democratic shop stewards around the country cannot adhere to the policy that is being pursued. Under such circumstances it would be better to spend some time in the opposition ranks."

Anker Jorgensen was prepared for an election in December when he presented the economic crisis solution, the one that contained division of surplus funds. He had--finally--yielded to LO demands for benefits to offset the austerity cuts but at the deciding group meeting the Folketing members refused to back this provision.

"On that occasion Anker Jorgensen behaved in a manner he is capable of adopting, he paid attention, he listened, he was very open to the views expressed," said one of the Folketing members who attended the meeting. "But the group actually called for the abandonment of the surplus distribution so that it could proceed and he went along."

Thus it was not Anker Jorgensen who pushed through the "shorn solution" as the result was called later. But it was his responsibility that LO felt that once again an agreement had been broken. For when the government had prepared the new "shorn" plan it decided not to call a meeting of the LO contact committee but to notify LO leaders individually with the intention of splitting the executive committee. Thomas Nielsen was far from being the first one notified; Labor Minister Svend Auken had talked to other members of the executive committee first, a fact that was noted at LO headquarters.

It was after this sequence of events that Thomas Nielsen reproached Anker Jorgensen at a meeting in People's House for having broken an agreement three times, adding that he would not break another one.

It is guaranteed that the conflict in the movement will come out at the upcoming congress to be held in Falkoner Center in September.

#### Party Secretary

But the congress must also take a stand on another problem, namely how to solve the problem of filling the post of party secretary. The present party secretary, Ejnar Hougaard Christiansen, announced last September that he wanted an international post, namely the position of secretary general to the 10 Social Democratic parties represented on the European Parliament. The idea is to divide the socialist group in the European Parliament into a political and an organizational section and it is the organizational aspect that led the Danish party secretary to put his bid in. The matter has not yet been resolved but the Danish Social Democrats have learned that Hougaard won't get the job. This means that he must either continue in his present job or he must be offered something else and efforts in that direction have been under way for some time now.

LO international secretary John Svenningsen is standing in the wings, waiting impatiently to make his entrance. He has been in the running to become the new party secretary since September but the problem is that he must have some kind of constituency in order to survive an election at the congress. "The way the Social Democratic congress is made up today,

with many of the delegates being teachers, social workers and other public employees, 'it would be hard to get an LO man elected if the party comes up with its own candidates," said an observer in the union movement. "The delegates would feel Thomas Nielsen was being paid off if an LO man is elected, so the best thing would be if Hougaard stepped down ahead of time so that Svenningsen could be appointed temporary secretary."

But the laconic report from the party office is, "Nothing has been decided yet," and what this really means is that Hougaard Christiansen does not yet have an alternative job in view. On the other hand it is not clear whether he will run for re-election at the congress. In 1977 current Folketing member Christian Kelm Hansen was very close to being elected. He lost by 13 votes but only because the LO executive committee decided to remain neutral, choosing instead to extend lunch until the election was over.

There is plenty to do here for the leader of the party.

6578

CSO: 3106



## JORGENSEN UNDER SIEGE FROM UNIONS, OPPOSITION, OWN PARTY

Oslo AFTENPOSTEN in Norwegian 3 May 80 p 3

[Article by Egil Sundar: "Anker--Plain and Simple"]

[Text] Anker Jorgensen is in difficulties as never before. Denmark's prime minister is attacked from all sides, abroad and at home, from people in his own party as well as from political opponents. The chairman of the Danish Federation of Trade Unions, Thomas Nielsen, is slamming the doors and is condemning the prime minister up and down, and the former social democratic minister of finance, Henry Grunbaum, denies that he has any economic overview and competence. And if this is not enough, the highly regarded EC publication EUROPE maintains that Denmark today stands without any actual economic or political leadership. It is said that the situation is characterized by confusion. But--nothing of this is actually a new or unknown situation in Danish policy.

Since the historic earthquake election in 1973, when Mogens Gilsttrup's protest and dissatisfaction movement moved into parliament as Denmark's second largest party, Danish politics has been in a permanent crisis. Changing governments have staggered from compromise to crisis, from crisis to compromise, while the threat about new elections has been lying in the air all the time. The reason is the deplorable fact that it has been--and is--impossible for a single party or any conceivable constellation of parties to obtain a reliable parliamentary majority. The parliamentary situation is characterized not only by confusion, but by chaos--plain and simple.

In a parliament where the number of parties changes from 13 to 10, any possibility for a firm government is impossible. Here the most important thing is to stand out and work against everybody else. When Danish party people talk about "the necessary policy" or about the need for "the policy of the long lines," everybody knows, of course, that both of these are just as impossible under the present parliamentary conditions.

On this background it does not necessarily mean that Anker Jorgensen's government is about to fall when the compromise negotiations about a crisis plan for a reorganization of Danish policy have collapsed and the prime



minister has decided to let the fate of the crisis plan be decided in the halls of parliament. Because everything can take place in parliament. A not insignificant factor is, for instance, the fact that two of the small parties, the Center Democrats and the Christian People's Party, are in danger of being without representation because in a possible new election they would hardly get above the barrier of 2 percent.

As far as this goes Anker Jorgensen can take the situation calmly, even if the failed compromise attempts around the government's crisis plan have triggered an intense internal debate in the social democracy and in the trade movement about the prime minister's political measures. With considerable adjustments it is believed that the plan may have a chance of passing with a changing majority. However, the Danish Federation of Trade Unions has recommended to the prime minister to let the crisis plan remain unchanged and take new elections if necessary. The next step will presumably be that the Federation of Trade Unions and Thomas Nielsen will recommend that the prime minister calls for new elections. Because things like this have occurred before, but without Anker Jorgensen having been willing to take orders from the Federation of Trade Unions.

Sparks have often been flying between Anker Jorgensen and Thomas Nielsen. The two strong men in the labor movement. As, for instance, the chairman in the Federation of Trade Unions exclaimed:

"If Anker is a hindrance for a Social Democratic government, we can report with another prime minister!"

And: Anker has broken a great deal of porcelain, and he himself must pick it up too!

And: It is the social democracy which gets support from the Federation of Trade Unions. If it was Anker Jorgensen, it would have stopped!

Anker Jorgensen was a representative of the trade movement constantly until he in October of 1972 took over as prime minister after Jens Otto Krag; he was, for instance, chairman in the Working Men's Trade Association for many years. He knows the tone and is also a courageous man. This may possibly be some of the explanation why in a period of crisis in Danish policy he has sat longer as prime minister than any of his predecessors in the postwar period.

And even if the prime minister must accept all kinds of things in meetings with the Federation of Trade Unions business committee--yes, sometimes even with the Social Democratic parliamentary group, Anker Jorgensen is more popular among the voters than possibly any other politician. He has his even style, his own simple language. The earlier rebel Jorgensen from the workers is now prime minister Anker without Jorgensen. In newspaper headlines and articles, even in the opposition press. In radio, television and in daily speech, Anker, pure and simple. Everybody knows whom they are talking about. Informal and using first names among the entire people.

In a recently published book about the man and the politician Anker Jorgensen (Berlingske Publishing Company) the author Hans Lynby Jepsen asked the question: Is he a political puzzle? Nobody could predict his striking success, nobody can explain it. Except that it has something to do with genuineness, hard work, evenness, popularity, straightforwardness. And he keeps his word. He is popular far beyond the party circle in a special Danish, specially understood, especially familiar way, taken to heart, known and talked about as no other politician at the time. As somebody known closely, as a friend: yes, Anker, we count on him and rely on him.

He comes from the trade movement and is not an academician. When Jens Otto Krag himself pointed him out as his successor, Anker Jorgensen had on more than one occasion shown that he had a strong will and could keep his back straight in adversity and could stand resistance. It soon became evident that he was well qualified for the job of prime minister.

Has he satisfied the expectations then? Impartially evaluated, how is it going with the realization of his party's program? Anker looks firmly ahead and says:

"Friends, we are doing what we can, we are on the way . . . "

The leader in the Socialist Peoples Party, Gert Petersen, writes about Anker Jorgensen's success in the media, especially on TV: "The rest of us can go at him with arguments, point out the hollowness in the Social Democratic employment plan, point out the contradictions--and then Anker looks the TV viewers straight in the eyes and explains that he will do his best. Then he has won the discussion . . . "

Most people will remember Anker Jorgensen--if not for anything else--as a prime minister who appeared relaxed and informal and let himself be photographed in an undershirt and socks during an important telephone conversation. He stood on his hands for the photographer and went for a swim and played football for their sake. He is no doubt the most informal and straightforward of all countries' prime ministers. It is part of his style.

8958

CSO: 3108

## CULTURE MINISTER ØSTERGAARD GIVES VIEWS ON DETENTE, ARMS REDUCTION

Copenhagen BERLINGSKE TIDENDE in Danish 20 Feb 80 p 3 (II)

[Article by Solveig Rødgaard: "Lise Østergaard: 'The Balance of Power Has Prevented Nuclear War'"]

[Text] "It is distressing to have to admit it, but when all is said and done it must also be admitted that the balance of power must be maintained," says Lise Østergaard, who moreover has a good understanding of the feelings behind the "Women for Peace" movement.

"The movement is an expression of what many feel. But I do not think that the collection of signatures will turn things upside down," says Minister Lise Østergaard about "Women for Peace." The minister can judge the movement from two sides: She is devoting her time to arms reduction in the UN regulation and at the same time she is to be hostess for the coming international Women's Conference this summer.

Lise Østergaard's immediate reaction to the women's movement is a comprehension of the fact that the growing international tension is making people worried.

"We had hoped for a relaxation of tensions when we saw the pictures of President Carter and President Brezhnev in Vienna during the summit meeting. There were signs of a positive beginning in the Middle East. There was the British initiative in Rhodesia. But then the last half year we have experienced that it has gone the opposite way--around the entire spectrum."

"The big arms reduction resolutions like the SALT agreements have still not been realized. The Soviet intervention in Afghanistan is a distinctly alarming move. Before this, it was begun in Iran, and there were entire developments in Indochina. Regarding Iran I must say that the development there really says much about the North-South dialogue. It is instructive for us, because it demonstrates that a too keen tendency to want to modernize a country can produce a backlash."

"So there are tension tendencies on all fronts and this worries us who work with it professionally. Therefore, I can well understand the reason for the movement."

"Is it the proper remedy? I do not think that the collection of signatures will turn things around. It has value because it provides an expression of what people think and feel. But what is Secretary General Waldheim to do with the signatures? Give them to Carter or Brezhnev?"

"No, I will not take the movement as an expression of rational action. But it is a sign of health in the people that they are protesting."

#### Feminine Mentality

Lise Østergaard will not enter further into the debate regarding why it is women who have started the action and into statements that women can be just as militant as men.

"Men have generally speaking always made the decisions concerning most areas. But now for once it is women who are closer to the things which the protest is about. Women will not accept the awful fact that people are dying of hunger. This is feminine mentality. Whether it is wise that men are not allowed to sign the protest, no, I do not care to evaluate."

#### Realistic Politics

On the other hand, Lise Østergaard is pleased to give a "realistic politics" evaluation of the situation.

"It is distressing to admit that it is the balance of power which since the Second World War has kept us free from a global war and a nuclear war. It is a rational thing to have to admit that the balance of power must be maintained. When it is said and done, one must unfortunately find a tendency for East-West tensions to have produced manifestations in surrogate wars. As, for example, in Vietnam, Campuchea and some of the African wars. But with the joint responsibility I have as a politician and minister I cannot just say that we will not have any weapons. I see no alternative to NATO and we must be loyal and trustworthy members. But I think anyway that small countries like Denmark, Norway and Holland, for example, have an important mission within the alliance by saying, 'As little as we can manage with. We must have the greatest possible security at the lowest possible level.'"

Lise Østergaard is naturally worried a great deal herself about the arms race. "It is awful that so much money is being used for arms." Besides, she thinks that there is "pollution" in arms production. "For at the same time that there is some balance of power, it cannot be ignored that there is an upper limit for arms. That the presence of so many weapons makes it tempting to use them."

And the minister points out one other thing. "It is insanely dangerous that we in our highly developed countries, as the Scandinavian countries are, have deep thoughts regarding the peaceful utilization of nuclear power and our resulting responsibility for the environment while peaceful use is being made of nuclear power in many undeveloped countries and there they have the possibility of comparatively easily making nuclear weapons out of the waste. The risk is in any case there, and I would not like to see this in a country with an unstable political situation."

Yes, but what is one to do then? Lise Østergaard sees no other remedies than that "we, as one of the small countries in NATO, EC and the UN, must continue to call for arms reduction. To persist and persist. Also in the current crisis between East and West. Not to overreact to the Soviet Union, not to become angry and slam the door. When one has to deal with realistic politics one must know one's own limitations."

Will the minister herself give her signature to "Women for Peace?" "No, we have a principle in the government that we do not sign anything which can be opinion-forming. Therefore, I also did not give my signature in support of the Grevinde Danner Foundation. But I have much sympathy for their viewpoints."

8985

CSO: 8113/1188

## AIR FORCE TO EQUIP DRAKENS WITH F-16 ELECTRONIC GEAR

Copenhagen BERLINGSKE TIDENDE in Danish 16 May 80 p 3

[Article: "The Draken and F-16 Will Have the Same Electronics"]

[Text] The air force's Swedish-built Draken airplane which was bought by the Defense Ministry in 1970 is now to be modernized. The purpose of the modernization is to outfit the planes with some of the electronic sighting and navigation systems which are found in the new American F-16 airplane which is about to be sent to the air force.

Modernization of the Draken airplanes costs 130 million kroner at 1979 prices. The Aircraft Equipment Command on Wednesday signed a contract with the American firm Lear Siggler, Inc. for the modernization. This firm has bound itself to a compensatory purchase of about 75 percent of the 130 million kroner from Danish industrial enterprises.

The air force has at its disposal over 50 Draken airplanes, which are built at the SAAB factories in Sweden. They are all stationed at the Karup Air Station. Most of the planes are fighter bombers, some of them are reconnaissance planes and a few are training planes.

The installation of the very advanced electronic sighting and navigation equipment in the airplanes will give them a significantly improved degree of precision in dropping bombs, shooting and navigation and means that their operative life will be extended several years.

At the Aircraft Equipment Command it is said that the use of the same components in Draken and F-16 airplanes will mean significantly lower operating costs for the two types of planes.

8985

CSO: 3106



## WEAK IN FOLKETING, EXTREME LEFT TURNS TO URBAN RIOTS

## Upheaval Lasted Week

Copenhagen BERLINGSKE AFTEN in Danish 9 May 80 pp 1,12

[Excerpt from article by Rolf Bagger: "A Long Way From the Black Square of Norrebro to Those Who Decide at City Hall"]

[Text] For more than a week, barricades, fights, violence, political demonstrations, and the police force have characterized the picture of the city at Norrebro in Copenhagen. The battle has been about a few patched-together playhouses on a vacant lot, but behind the struggle has been a city plan for the area and the ideas involved. In the final analysis, however, the whole thing concerns the present government of Copenhagen and its ability and will to function as the government of the whole people.

During one of the very first days of the Norrebro riots, a young fellow with a can of white paint and brush painted PARIS 68 on the asphalt of Norrebro Street. Romanticism to the limit. Undeniably, it was difficult to connect the gathered young activists, the curious, the rock and roll enthusiasts, the bums, and the trouble-makers at Norrebro with the May revolt in Paris in 1968, not to speak of the people's strike in 1944.

Nevertheless, a rebellion took place at Norrebro. But rebellions tend to differ. The Norrebro rebellion was different. With the immediate goal of defending a playground. Thereby alone it differed from the rebellions of 1968 and 1944. Without therefore being a less serious matter.

## The Left Wing

Time and again it has been pointed out in recent years, not least by leading Social Democrats in the city hall of Copenhagen, that the Black Square has drawn to it political activists of the extreme left, who now, it is asserted, carry on a conscious antiparliamentarian struggle against the parliamentary system.

This is certainly true. The explanation is simple: It is in particular among youth seeking education that political awareness is well developed,

but at the same time they have to an increasing extent become the lowest social class, who therefore must seek housing in the cheapest, the poorest quarters of the city, primarily in the Black Square.

#### Ex-Leader Explains Methods

Copenhagen BERLINGSKE TIDENDE in Danish 7 May 80 p 1

[Article by Dan Axel: "Children of 'The Builder' Educated for Revolution"]

[Text] "The children at 'The Builder' were indoctrinated by means of socialist or communist children's books. The children were permitted to do what they wished, while at the same time they were stamped by a negative attitude toward any social order and authority. This form of pedagogy was very harmful to the children."

This was written by a former leader of "The Builder" of Norrebro in a report to the social and health administration of Copenhagen, after he had quit as educational leader of the playground at the construction site. The leader refused to accept it and quit.

In a report to the Copenhagen city council, social counsellor Pelle Jarmer on Monday cited examples of how children and a worker--in this case an education leader--were treated by fellow workers at "The Builder." The leader, himself a resident of the Black Square at Norrebro, was told that he was to be schooled by Norrebro's Tenant Action. And it was Norrebro's Tenant Action (at that time not yet split into two wings) that presented to him the working conditions and what was expected of him as the playground leader. This was done even before he was hired.

#### Regret

The parents of the children, as well, were through the parents council to be used in "the struggle."

In his report Pelle Jarmer regretted that the city as early as at the time--in 1975--had not gotten rid of all of the workers at the construction site.

"Since the start in 1973, none of the tenants who invaded the demolition site has contributed any form of independent activity, at no cost to the municipality, carried out to the advantage of the children. With shame, I have to report that what had been done of both work for the children and political indoctrination has been paid for by the public," said social counsellor Pelle Jarmer.

#### Left Socialists, CP Provoked

Copenhagen BERLINGSKE TIDENDE in Danish 7 May 80 p 19

[Article by Solveig Rodsgaard: "VS, the Left Wing and the Revolution"]

[Text] The Left Socialist possibly have difficulty in defining their position when the internal party debate among the many fractions flares up. The party's primary aim, extra-parliamentary work, bears fruit, however. In the so-called grass roots work, the VS [Left Socialist Party] is today the leading party.

While the SF [Socialist People's Party] and the Communists concentrate their political work at the places of work, and the Communist Worker's Party has yet to find out how far to the left it wishes to stand and for what, the VS has purposefully through the years worked itself into local activities and associations. The active placement of the VS in the events in The Builder at Norrebro is the latest example of the political struggle being moved away from the organs elected by the people.

The VS has never denied that it is well enough to sit in the Folketing and in a municipal council. It is the outside work, however, that counts. On the other hand, the VS politicians have with full awareness made use of the Folketing, and in particular the Copenhagen city hall, for "causes."

In the opinion of the political opponents [of the VS] the representation in the Folketing and municipal councils elected by the voters is not in relation to the public attention received by VS "causes."

The main reason for this is that VS politicians present their viewpoints again and again with almost feverish dilligence, in certain things without petty sidelong glances toward the parliamentary system.

The behavior of city council member Villo Sigurdsson in the epoxy matter, among other things, is proof of this. He is also remembered for in his 1 May speech having urged continuance of the Norrebro struggle.

The list of VS actions in the Folketing is extensive. As early as 10 years ago, then Folketing member Erik Sigaard initiated the campaign against "The Seven Sisters," the national oil companies and their tax situation in Denmark.

In the middle 1970's Folketing member Preben Wiljelm started the campaign against the agreement between the state and A.P. Moller on the North Sea oil. In the housing area as well Preben Wilhjelm has been active. He is, by the way, thought to be one of the most able housing politicians in the Folketing. Equality before the law and changes in law administration is another area in which the VS has received much attention. The VS has in innumerable joint sessions been able to call shifting ministers of justice before the Folketing justice committee. And the VS party apparatus in the Folketing works creditably. For every important debate, prior to and after joint sessions inspired by the VS and as a result of questions asked by the VS, Folketing journalists get material by the carload about VS viewpoints, in many cases accompanied by background material. No other party in the Folketing works as quickly and effectively in this field.

## Fear

On the other hand, information is scarce as concerns the party's structure and internal methods. The same applies to the Communist Worker's Party. Both parties of the extreme left consider work outside the Folketing most important and have great fear that outsiders will learn too much about their internal affairs.

According to the party itself, the VS has about 4,000 members. This number has been relatively constant in recent years. The latest increase in membership occurred last fall, the VS, at a so-called subject congress decided to absorb the organizations the Communist Association and Group 5. One does not simply join the party. The party does not accept just anybody. New members must go through an introductory schooling, in which they are instructed in party policy.

The many fractions of the VS give rise to discussions and rows, guessed at outside the closed doors. Party and subject congresses are closed to the press. On the other hand, ARBEJDERAVISEN, the Communist Worker's Party's publication, is surprisingly well informed about what takes place in the inner circles of the VS.

## Voters

The VS has a solid core of voters, which means that its number of seats [in the Folketing] does not vary much from election to election, nor does it produce much of an effect upon public opinion polls.

At the first election in which it participated--in January, 1968, about a month after it was established after the disruption of the Socialist People's Party--the VS obtained 4 seats. The 1971 and 1973 elections gave the VS no seats in the Folketing, but in 1975 it came back with 4 seats. In 1977, it obtained 5 seats, and the October 1979 election 6 seats.

## Revolution

The VS is a party with a revolutionary socialist goal, the party says about itself. "The transition to socialism calls for a revolution in which the wage-earning class takes over the government. In the transition period special steps must be taken to prevent old economic and political holders of power from regaining power or new holders of power from making themselves independent of the producers."

The party program also states that "it is an illusion to believe that socialism can be introduced 'via parliamentarianism.' A socialist society cannot arise gradually within the capitalist society."

## The Left Wings

In the eyes of the VS, the SF and the DKP are rather right-oriented parties, making it difficult to get in step with them. Between the VS and the

Communist Worker's Party [KAP] as well, there are tensions. The KAP has even started internally discussing and analyzing its relations with the VS. The two parties agree, however, that a revolution is the only way of introducing socialism.

In the KAP's opinion, the VS is characterized by "an irresponsible lack of principles." In his judgment of the VS, however, KAP leader Benito Scocozza adds, in the latest issue of ARBEJDERAVISEN, that the VS is in spite of everything an expression of a leftward swing "in which its swings implicitly stress that the road to socialism goes via mobilization of the working class, not through belief in having the Social Democrats as allies or through using the bourgeois power apparatus to secure working class control over the capitalists."

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CSO: 3106

## FOREIGN LOAN OBLIGATION NOW 23 PERCENT OF GNP

Copenhagen MANEDS BORSEN in Danish May 80 p 16, 17

[Text] This year the Danish balance of payments deficit will celebrate its eighteenth birthday, and that birthday will be marked by the setting of a new record. The deficit this year will amount to at least 16 billion kroner, or almost 0.5 billion kroner more than last year.

Debts to foreign countries will exceed 100 billion kroner by the end of 1980, and that means that they will have doubled in just 3 years. This year we will pay 9 billion kroner in interest on foreign loans. That is equal to the value of the annual production of 60,000 industrial workers or nearly half of the net earnings of agriculture in this country.

Against the background provided by these figures, it is not surprising that more and more people are wondering whether we can continue to maintain our international credit rating. And implied in that question is another one: can we still go on borrowing money abroad in the 1980's to finance our balance of payments deficit, which now seems to be a chronic problem for the Danish economy? Or will we, like England, be forced to go cap in hand to the IMF and thereby subject ourselves to whatever conditions the Fund may set?

Now, it is not a question of being creditworthy or not being creditworthy. International creditworthiness is more a question of the conditions under which a loan can be obtained on the international currency and capital markets. The less favorable the market's evaluation of the borrower the higher the interest he has to pay and the shorter the period the loan will run. Both of these are naturally equally unpleasant for the borrower.

For example, an increase of 1 percent in the interest on our loans from foreign countries will push the balance of payments 1 billion kroner in the wrong direction. At the same time, the shorter period the loan will run means that the borrower has his back pushed against the wall, so to speak. Economic policy, and especially money policy here, must take both the financing of the current balance of payments deficit and payments on foreign indebtedness into consideration to an ever-increasing extent.



For example, we cannot be content with borrowing 16 billion kroner this year to cover our balance of payments deficit. We must also borrow 10 billion kroner to make the current payments on our foreign debts. That means that, in all, we must borrow a good 25 billion kroner this year, whereas we only borrowed approximately 4 billion kroner in 1973.

Thus the annual need to borrow money not only increases at the same rate as the balance of payments deficit, but it is also pushed upward even further by the obligation to make payments on foreign indebtedness, and the shorter period the loans have to run the larger the annual payments become. Therefore, when countries with balance of payments problems sometimes seek shelter in the IMF, they do not do so because it is impossible to borrow on the international currency and capital markets, but rather because the conditions for loans place such great demands upon the borrowers' economic policies that it is more convenient to go into receivership. Therefore, there is no immediate danger that the moment of truth for the Danish economy is just around the corner. Even in the coming year we can borrow without going to the IMF, but the conditions under which we borrow will get worse if we do not get the catastrophic developments in regard to our balance of payments turned around.

A borrower's creditworthiness is judged on the basis of two criteria, among others, and they are foreign indebtedness as compared with the gross national product and the borrower's need to obtain loans to finance interest payments and payments on foreign indebtedness as compared with income in foreign currency. The latter criterion is ordinarily called the borrower's debt service ratio.

Our foreign indebtedness amounts to a good 23 percent of the GNP and our debt service ratio is approximately 20 percent. That is not alarming when compared with a large number of other countries, but it nevertheless is bad enough that it places us a good distance from the top of the international creditworthiness rankings.

In Euromoney's "Country Risk" magazine, we are placed in fourteenth position on the list. Countries such as China, Greece, Ireland, Malaysia, Bahrain and India are judged to be more creditworthy than Denmark. Thus we can console ourselves with the fact that 60 countries are in still worse positions on the list than we are, but the great majority of those countries are underdeveloped nations.

The rankings were worked out on the basis of the interest borrowers paid in 1979. The interest on a loan from abroad is made up of interbank interest charges--that is, the interest the bank lending the money pays on deposits, plus an extra interest charge which is ordinarily called the spread. The interbank interest rate varies from one currency to another, but it is the same for all borrowers regardless of their creditworthiness. On the other hand, the spread varies according to the borrower's creditworthiness. New Zealand, which is at the top of the creditworthiness

list, paid an average spread of 0.379 percent in 1979, for instance. We had to pay 0.570 percent, and the Malagasy Republic, which is at the bottom of the list, had to pay 2.037 percent.

The length of time a loan runs varies from approximately 10 years for the best-placed countries to 4 or 5 years for the countries lowest on the list.

On the average, for all countries, a spread of 0.801 percent had to be paid and the length of time the loans ran was 8.34 years.

Thus, we can continue to borrow on better conditions than the average, but those conditions can change rapidly, and therefore the possibility of applying to the IMF cannot be excluded.

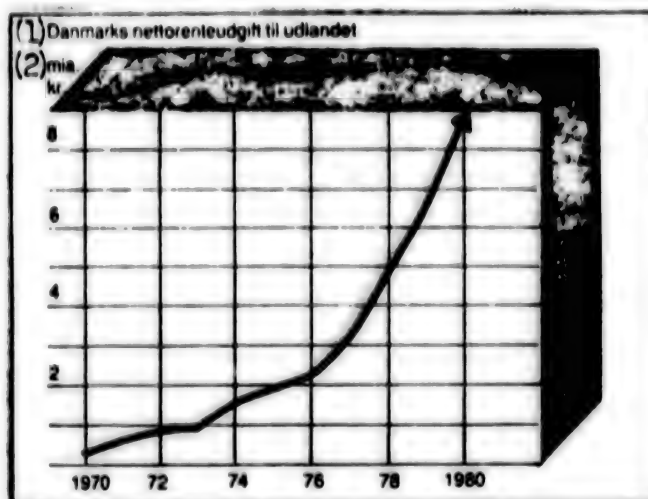
The International Monetary Fund was created in 1944 and was the foundation stone for the Bretton Woods agreement. The Bretton Woods agreement obligated the participating countries to link their currencies to the dollar. Fluctuations in the exchange rate were to be held to within 1 percent of the reported current parity rate with respect to the dollar. At the same time, the Americans were obligated to redeem dollars with gold at a fixed price. If a country wished to devalue or revalue its currency, it was supposed to report the change to the IMF. If the change was greater than 10 percent, the fund could refuse to allow the adjustment of the exchange rate.

At the same time, the countries were supposed to pay part of their currency reserves into the fund--25 percent of such payments in the form of gold and the remaining 75 percent in the form of the country's currency.

The Bretton Woods agreement broke down in 1971 because the dollar's redeemability in gold was suspended, and now the IMF operates almost like the central bank of central banks. That is to say, the participants' deposits, or quotas, in the IMF give them a right to take out loans. Member countries have a right to make direct withdrawals of the 25 percent of their deposits which were made in gold. The fund does not have to approve that, and the loan is interest-free. If the sum deposited in gold is not sufficient, member countries can make use of the four credit allotments, each of which is the equivalent of 25 percent of the individual member countries' quotas. The fund is supposed to approve withdrawals on credit allotments. When a withdrawal of the first allotment is made, the member country must work out a plan for its future economic policy, thereby making it probable that the member country's economy will move in the direction of greater stability. When the other three allotments are withdrawn, working out an economic stabilization plan is no longer enough. Now the fund imposed demands with respect to the borrower's economic policies and the loan is paid out in installments to ensure that the conditions are observed. In addition to these allotments, or quotas, member countries have access to supplementary loans, but as a general thing they

only exist for developing countries. Our gold quota in the IMF amounts to a little less than 550 million kroner worth. All in all, we can withdraw 4.4 billion kroner. The quotas are being extended to November, and thus we can withdraw almost 7 billion kroner from the fund. But even with the greater withdrawal capabilities the IMF can only help us by financing a balance of payments deficit of 3 billion kroner and payments on foreign indebtedness.

The possibilities for IMF loans are so limited and the conditions are so rigorous that no industrial country made use of the fund in 1979. We must hope that we will not be forced to change that picture.



This year we must pay approximately 9 billion kroner in interest on foreign loans. That is equal to half of the net earnings of agriculture or the value of the production of 60,000 workers in the course of a year.

(1) Denmark's net interest payments abroad.

(2) Billions of kroner.

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## COUNTRY FACES LARGE DROP IN REAL INCOME

Copenhagen MANEDS BORSER in Danish May 80 p 19

[Text] Danes will experience the biggest drop in real, disposable income since World War II this year. Even without new taxes and duties, the decline will be 3 or 6 percent for the vast majority of employees. Even retirees drawing pensions, who are the only ones who have had an increase in real income during the last few years, must prepare to cut down on their consumption this year. But in spite of the fact that we now will really reduce our standard of living, that will not be very helpful with respect to the balance of payments. What we save on imports will be eaten up in increased interest payments on foreign loans.

The most essential reason for the reduction in pay is the December compromise.

In the first place, the item of energy was taken out of the price index, effective January 1979. In the second place, the three cost-of-living wage increases triggered by the price index in January were not paid. In the third place, the January price index was rescinded.

Since a cost-of-living increase is triggered for every three points the January and July price indexes rise, prices now must rise 3 percent to trigger an increase. At the time it was rescinded, the price index stood at approximately 150. That is to say that prices only have to rise by 2 percent at this time to make the price index rise 3 points. In compensation for the rescinding of the price index, cost-of-living increases now pay 90 ore per hour, as compared with 60 ore previously.

The equalization price index for July will trigger an increase. However, it will only pay 60 ore. That is because the extra inflation we imported in connection with the 5 percent devaluation in November must not be passed on to affect wages.

The advantage gained by devaluing must not be lost through an increase in wage costs.

Therefore, the wage increases in the LO's [Danish Federation of Trade Unions] domain in accordance with the agreement will only amount to one cost-of-living increase plus an increase of the guarantee payments by 1.95 kroner.

On the average, the agreements will bring about a wage increase of 1.5 percent. The wage drift will probably yield at least the same as last year--that is, about 7 percent. All in all, wages in the LO domain will rise by approximately 8 percent from the beginning of the year to the end. But since wages rose almost as fast as a guided missile at the end of last year, the average wage in 1980 will be approximately 10 percent higher than in 1979. The longer holidays, which are responsible for an increase in wages of 1.6 percent, must be added to this. Thus, even if the brakes are applied violently to developments in regard to wages, wage costs will rise by a little less than 12 percent this year, and that will be considerably more than on our most important export markets.

People on retirement pensions can look forward to an increase in their incomes by a good 9 percent. Last year a married couple got a full 15 percent increase more, while single people had to be satisfied with 10 percent. Thus, wages and pensions will be increasing considerably less this year than they did last year. Since taxes will be jacked up another notch at the same time, the increase in wages will fall far short of matching the rate of inflation. Because of the energy taxes in June and July, the average price level this year will be a good 11.5 percent above that in 1979.

The new taxes must be added to this, and they will push the rate of inflation up an additional 1 percent. But it is not only prices which are undermining the purchasing power of wages. The income tax increase on 1 January confiscates approximately 1.5 percent per point of wage increase. All things considered, a typical employee in the LO domain will experience a drop in real, disposable income of approximately 6 percent this year. Government employees will experience a drop in real income of a full 7 or 8 percent, while salaried employees on the private labor market will be situated right between those two groups.

The drop in real income will be so large that private consumption will be reduced by at least 4 percent, and that will be the largest drop since World War II. However, public consumption will continue to rise. In spite of various efforts to economize, it will increase by 4.5 percent this year, as compared with 5 percent last year.

Thus, even if we experience a very considerable dropping off in the standard of living, the effect on the balance of payments will be discouraging. The increase in public consumption, expensive oil and the increased interest payments on foreign loans will ensure that the balance of payments deficit will be at least 16 billion kroner, or 0.5 billion kroner more than last year.



## GOVERNMENT GRANTS FUNDS TO AID GREENLAND TRADE

Copenhagen BERLINGSKE TIDENDE in Danish 16 May 80 p 8

[Article: "One Hundred and Five Million Kroner to Support Greenland Trade"]

[Text] The Royal Greenland Trade Board's (KGH's) negative result for 1979 looks little better than the 1978 figures. The state subsidy to cover KGH's combined deficit amounted in 1979 to about 105 million kroner, reports KGH in its annual balance sheet and report.

In 1978 the state had to cover a combined deficit of 110 million kroner.

The largest operating subsidy of 68 million kroner the state granted to production and sales enterprises. KGH bases the necessity of the subsidy on high production costs, which are due to the geographical and climatic conditions. Production activities employ directly about 1700 employees.

The state granted a subsidy of 14 million kroner for the operation of warehouses, shops, bakeries and filling station installations in the majority of Greenland cities. This corresponds to about two percent of the total trade of 866 million kroner. A good 1200 people are employed in supply services in Greenland.

The state covered in addition a deficit of 17 million kroner for coastal and district shipping traffic, while a subsidy of a total of 16.6 million kroner was granted for a number of smaller businesses.

In addition to the state subsidy of about 105 million kroner, KGH administers a subsidy of 31 million kroner for other purposes. Twenty-five million kroner of this are used for aviation in Greenland with Grønlandsfly A/S [Greenland Airlines]. By means of the subsidy ticket prices for the approximately 73,000 passengers can be kept down.



## MINISTRY, EC PREDICT GREENLAND JOB SHORTAGE

Copenhagen BERLINGSKE TIDENDE in Danish 28 Apr 80 p 2

[Article: "Greenland Lacks Work"]

[Text] Only if efforts are actively begun to create new jobs in Greenland is it possible to avoid the fact that several thousand Greenlanders will end up unemployed in coming years. This appears in a report written for the Greenland Ministry and EC in connection with investigations of the socioeconomic significance of the utilization of Greenland mineral resources and water power.

In the worst possible case will be risked an unemployment figure of 23 percent in 1995, corresponding to 6000 of Greenland's 26,000-strong labor force. The result is a consequence of a growing labor force of 10,750, while the number of jobs will have risen only by 1825. Already in five years the labor force in Greenland will have increased by 7600 persons. In the estimates is assumed a substantial replacement of the present Danish work force with Greenlanders, it states in the report, which constantly names fishing, hunting and sheep-breeding, along with public administration and services, as the major industries with regard to employment.

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CSO: 3106

## ECONOMIC COUNCIL CHIEF URGES STEPS TO IMPROVE TRADE BALANCE

Oslo AFTENPOSTEN in Norwegian 5 May 80 p 29

[Article by Thomas Knutzen and Tom A. Kolstad: "Broken Promise Weakens Confidence in Denmark's Economy"]

[Text] Arhus, May. The promises which have been given to foreign lenders have not been kept. It is uncomfortable to pull the wool down over the lender's eye. It does not raise confidence. "Supersage" Hans E. Zeuthen, professor of economics at Alborg University Center and chairman of the board of the Economic Council in Denmark, understands those who have talked with big letters about the difficulties in the Danish economy. It is they who have had the direct contact outward. Zeuthen himself characterizes the problem as both permanent and big, but he is still not a Doomsday prophet who believes the precipice is near.

"It does not have to become worse if our policy is directed strongly in against expansion in the industries which contribute to the balance of payment," says Zeuthen in a conversation with AFTENPOSTEN. He warns against Denmark trying to save to balance the foreign economy. "What the country needs is a 'go' for the industries which earn foreign currency."

Professor Zeuthen described the two main problems in the Danish economy as follows: "There is too little production in those industries which contribute to the balance of payments. To some degree as a counterbalance to this there is heavy unemployment."

"The combination of problems in the balance of payments and the unemployment results in a need for two different types of policy," says Zeuthen. "One must not create a bigger desire for expansion in the industries which are exposed to competition so that they get a greater desire to employ more people. At the same time one must enable the labor market to channelize the unemployed into the industries which are exposed to competition."

#### Rapid Slowing Down Does Not Work

Zeuthen disagrees with those who believe that the solution to these problems is to reduce employment in the public field, as many professional

economists in the industry organizations in Denmark recommend. "A quick slowing down does not help," believes Zeuthen. "The relationship is not nearly as quick and immediate as many people believe. It is not enough to cut down in the public sector. One must arrange a 'push' in competitive industries."

"It is, for instance, not certain that the 50,000 who otherwise should have been teachers and social teachers will be easier to place in the competitive industries than the approximately 150,000 who are unemployed today," he says.

"How long will it go before one can balance the Danish foreign economy?"

"One must consider whether the goal should be a balance as long as there are big unbalances around the globe. We must evaluate how far down we have to go, but we probably have to go down to zero due to the foreign debt."

How quickly one can reduce the deficit, whether it will take 5 or 7 years to get down to zero, is of less interest according to Zeuthen. "Instead of discussing how quickly it can be done, we must get going," says he.

The danger Denmark runs if the deficit is not reduced is primarily an increasing risk that one may get into a financial crisis which will reduce the economic freedom of action. "The risk is there if we only stagger along. It is therefore crucial for us to get control over the foreign economy," says he.

#### The Interest Level Requires Support

Professor Zeuthen describes how the high interest level causes Denmark to bite its own tail. The interest level must be kept high for "the money to run the right way," but at the same time this makes it more difficult to get an increase in the investments in industries exposed to competition.

Zeuthen's solution is anti-inflationary policy and income policy combined with a currency rate policy. In addition, Denmark probably stands in front of a period with lower growth in productivity.

Because of the high interest level, Zeuthen believes it must be of interest to provide some form of support for the industry. "Such subsidies must be given so that they will become comparatively general, so that the behavioral consequences when companies feel they have been selected do not become bigger. When one belongs to the chosen people, one begins to behave differently," says the professor.

#### Labor Market Policy Underestimated

With regards to the second main problem, unemployment, Zeuthen believes that important sides of the labor market policy have been underestimated in the public debate in Denmark.

He generally believes that strong demand for labor is a good intermediary. But it will become difficult to repeat the success from the 1960's when the unemployment of around 10 percent in the 1950's was sucked up by increased demand.

"The available labor has an education which does not fit especially well to the extra jobs one would like to have created," he points out. "This requires that the education of Danish youth be changed to satisfy better the requirements in industries exposed to competition."

"Certain relationships involved in the wage structure are more complicated. Behind the unemployment a wage policy which has had social political goals has been conducted," Zeuthen continues.

#### Guaranteed Wages Increase Unemployment

"Some groups find it difficult to get work. It is the very young, inexperienced, who have difficulties finding employers who are willing to give them the wage they have a right to, the so-called guaranteed wage which at this time is a good 70,000 kroner for everybody over 18 years."

Zeuthen points out that Denmark has, in an international relationship, a very liberal system for labor support, which provides a very high support. The corollary of this is that we must have very strong rules for mediation. "We must evaluate whether we want to have the economic or the administrative whip to force people to work. This is probably impossible to solve without a whip," says he.

In Denmark the situation now is that companies have people tied to them part of the time, and the rest of the time they are unemployed and get unemployment payments. In this way the employer achieves a very elastic labor supply, but for the worker it is not an especially big difference.

Zeuthen: "If there is agreement between two parties, it requires that the mediation shows up with a correspondingly firmer hand."

"All of these relationships have probably contributed to increasing the unemployment," he believes.

"Does Denmark have more of an employment problem than of an unemployment problem?"

"If we pay out 10 billion kroner for support, then we have an unemployment problem. There are now five times as many people who receive unemployment payments as 5-6 years ago. It is unsatisfactory that we do not get this problem solved. It gives a basis for social stresses," says Zeuthen.

## Synopsis of the Danish Economy

Denmark has big economic problems. AFTENPOSTEN presents here the first article in a series on the Danish economy. Here is a short survey of some main questions in the Danish debate:

**Unemployment:** At the end of February there were 182,000 completely unemployed in Denmark. The figure was 145,100 when corrected for seasonal variations. In 1979 approximately 800,000 people were affected by unemployment, even though only approximately 10,000 went unemployed the whole year.

**"The paradox problem":** In spite of the high unemployment, companies report that it is difficult to get people for certain jobs. Only a limited number of people who are registered as unemployed are available to take the jobs the state employment offices have available.

**Public savings:** The public sector has increased consumption by 40 percent through the 1970's. The employment has increased by 4-5 percent annually. The deficit, the government's and the municipalities' requirements for financing, is approximately 15 billion kroner this year and could increase to 27 billion kroner in 1984.

**The balance of payments:** This year Denmark will have a deficit to foreign countries of between 16 and 18 billion kroner. The deficit may increase in future years if the policy is not changed. The oil bill this year is over 20 billion kroner.

**The debt:** The foreign debt is now approximately 80 billion kroner, and it increases with amounts corresponding to the deficit in the balance of payments. The interest this year will amount to approximately 10 billion kroner. The debt can be expected to double in 4 to 5 years with the policy which now is being conducted.

**The interest:** Danish government obligations now give an interest of 18-20 percent annually. The interest on normal bank loans may be even higher, if one does not have to borrow abroad.

**"The precipice":** Denmark will go over "the precipice" if the foreign lenders lose confidence in the Danish economy and place the country under administration and a consortium, a credit group, makes clear demands on the economic policy in order to continue to make the loans Denmark will need.

**Economic democracy:** The trade organizations' model for further development of the industrial democracy. The Federation of Trade Unions set economic democracy as a condition for income-political solutions. In practice, economic democracy now means a sharing of surpluses.

## BUSINESS ORGAN URGES GOVERNMENT STIMULUS

Copenhagen BERLINGSKE TIDENDE in Danish 3 May 80 p 8

[Article: "Contractors Will Offer Machinery and Equipment for Oil; Trade Association Foresees a Drastic Drop in Employment"]

[Text] Denmark ought to offer building, machinery and equipment in payment for state purchases of oil, writes the Contractors Association in a communication with Industry Minister Erling Jensen.

The association foresees a drastic drop in employment as the result of the government's economy proposals. It has estimated that unemployment in the construction and installation sector will increase by 7500 people in 1981 if the economy proposals are passed. In spite of the fact that the proposed employment plan will lead in the opposite direction.

To this should be added the 13,500 which the Contractors Association thinks will be thrown into unemployment already this year as the result of the cutbacks in municipal budgets.

## Stimulation

In this light the Contractors Association thinks that there must occur a significantly stronger stimulation of activity in the construction and installation sector than that for which the stage was set in the new three-year employment plan. Concretely, proposals for change have been made within four main areas.

The employment plan's proposals for the stimulation of business investment ought to be supplemented with a restoration of the investment deduction which was repealed at the turn of the year, the improvement of rules for construction writeoffs, and changing of the law regarding a price freeze, so that increases in employer contributions established by law or agreement can be figured into prices.

Previously the government held out the prospect that increased interest expenses and increased writeoffs for new investments would be excepted from the price freeze law.



The association finds the government's proposals regarding increased funds for reconstruction and urban renewal commendable. But it points out that measures are lacking for remedying the drop in the construction of private homes. This can occur by a combination of an increase in the loan limits for real estate mortgages, an extension of the payoff periods for mortgages and an interest guarantee arrangement for private home building, thinks the Contractors Association.

#### Headway in Exports

It is suggested that the government help with making headway in exportation of the construction and installation industry. In part by offering building in return for oil, in part by a number of other measures.

For one thing, the Contractors Association wants improved state support in making bids and a less expensive price guarantee arrangement at the Export Credit Board. On line with the Industrial Board, the contractors Association is a supporter of a greater share of Danish aid to underdeveloped countries being offered as a state loan bound by purchases in Denmark.

"It will be an effective expedient for Danish businesses to gain a footing in new markets," it reads in a communication to the industry minister.

#### Danish Experts

It must also be made more attractive for Danish experts to work abroad. The Contractors Association suggests that tax exemption be granted for remaining abroad over six months.

Cutbacks in public budgets are especially hitting the construction field, points out the Contractors Association, which will especially produce high unemployment among semi-skilled workers. In order to avoid this it is suggested that the investment tempo in the energy supply area be increased. Consequently, more rapid development of district heating, heat and power plants and natural gas than decided previously.

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## INDUSTRY COUNCIL PREDICTS DROP IN PRIVATE SECTOR JOBS

Copenhagen BERLINGSKE TIDENDE in Danish 14 May 80 p 1

[Article by Frank Dahlgaard: "Forty-Five Thousand Fewer Jobs in the Private Sector, 45,000 More Jobs in the Public; a Gloomy 1981 Forecast from the Industrial Council"]

[Text] In spite of the crisis compromises at Christiansborg the lopsided economic development in Denmark continues: The number of jobs in private business is dropping while the number of public employees continues to rise.

The Industrial Council foresees in its just presented half-year forecast that employment in the private sector for next year will be 45,000 lower than in 1979. During the same period it is expected that the public personnel figure will rise accordingly, i.e., by 45,000 people. Each time the business world abolishes one job, the state and municipalities institute another.

The decline in private employment is divided, according to the Industrial Council's economists, into 30,000 fewer jobs for 1979-1980 and a further decline of 15,000 from 1980 to 1981. For the public sector the figures are exactly the same, but with the important difference that here it is not a question of fewer jobs, but of more jobs.

## Exchange Deficit

The industrial economists' forecast repudiates the government's assertion that the balance of payments is on the way toward an improvement: In spite of the four-party compromise at Christiansborg, we will experience an exchange deficit this year of 17 billion kroner, as opposed to 15.6 billion kroner last year, and in 1981 the deficit will remain up around 17 billion kroner.

These forecast figures for the exchange deficit are in sharp contrast to the government's declared objectives according to the move on April 7 this year. Here was expected an exchange deficit this year of 16.3

billion kroner and a deficit for next year of only 12.4 billion kroner. If the government is to honor its desire for an annual improvement in the balance of payments further intervention is imperative.

#### Negative Growth Now

The Industrial Council's forecast is based on a changed Danish ability to compete up to the end of 1981 as well as on the accomplishment of the four-party settlement entered into at Christiansborg. An international economic recession is expected this year, but the downturn will be significantly less dramatic than the one experienced in 1974 after the first oil crisis.

For the Danish economy, according to the Industrial Council, it is a question of a serious downturn this year and for next year. The Danish national product is expected to drop 1.5 percent this year and will remain unchanged at the lower level for next year. At the same time Sweden's production is expected to grow two percent, Norway's 3.5 percent and Finland's a whole six percent.

#### Five to Six Years Back

Private consumption in Denmark will drop four percent this year and in 1981 will come a further decline of one percent. The development implies, according to industrial economists, that retail sales quantitatively will be set back five to six years in time. Business investments and housing construction will also drop both this year and for next year.

Industrial exports, which in 1979 grew a whole 10 percent quantitatively, are expected this year to grow only five percent, and for next year is foreseen an actual advance of only two percent. The decline abroad is the explanation for the declining growth.

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BANKERS ASSOCIATION CHIEF: ECONOMY IS IN MORASS

Copenhagen BERLINGSKE TIDENDE in Danish 9 May 80 p 10

[Article: "Stuck in a Morass"]

[Text] The Danish Bankers Association chairman, Director Bendt Hansen of Handelsbanken, yesterday described Denmark's economic difficulties by declaring, "We are stuck in a morass and we are sinking deeper and deeper."

He thought that the earlier warnings from, among others, National Bank Director Erik Hoffmeyer and former Finance Minister Knud Heinesen about falling into the "abyss" were not a sufficiently complete picture of the situation.

"Because we are already in the middle of the worst imaginable difficulties, and they are of a self-intensifying nature," said Bendt Hansen.

Bendt Hansen at the Bankers Association's meeting yesterday made comments to the press regarding the steady balance of payments deficit and the large foreign debt and said that it would not be impossible to continue to borrow sufficiently abroad, but that international finance circles, the IMF [International Monetary Fund] or EC perhaps will begin to impose stiffer requirements.

At the same time he emphasized the danger of an interest squeeze. Already this year net interest payments abroad amount to almost 10 billion kroner, or an amount which substantially exceeds outlays for defense, for example.

According to the budget department's calculations, the amount, with an unchanged economic policy, will grow to over 17 billion kroner in 1984, equaling the combined payments for retirement pensions.

He added that nothing in economic and political deliberations which have come forth up to now can affect the development appreciably.

The government's latest compromises with the small parties Bendt Hansen called "spineless."

## ECONOMY MINISTRY, CENTRAL BANK DIVIDE OVER MONETARY POLICY

Copenhagen BERLINGSKE TIDENDE in Danish 12 May 80 p 2

[Article by Frank Dahlgaard: "The Fight Over Foreign Exchange and Credit Policy"]

[Text] During the first years of crisis in the 1970's there was wide agreement between the government and the Central Bank on how Denmark was to carry on its foreign exchange and monetary policy.

Concerning foreign exchange policy the view was the rate of exchange of the krone was set. Only in conjunction with rate of exchange adjustments within the EC should the krone be devalued when it was inevitable, but not by more than about 5 percent. This firm rate-of-exchange policy kept inflation down and aided in creating "economic discipline." Concerning monetary policy it was agreed that sparse foreign exchange reserves should be assured by two means: 1) Through a high interest policy Danish enterprises should be urged to borrow abroad instead of in Danish banks. 2) By means of a credit ceiling, Danish enterprises were forced to obtain part of their borrowed capital abroad.

With this so-called "reins and belt" policy it was assured that Danish business helped finance the current foreign exchange deficit (balance of payments deficit) vis-a-vis other countries. Thus the state was not alone in bringing home to Denmark the needed foreign loans.

Agreement on this foreign exchange and monetary policy is no longer present, due to the fact that the government has changed its view.

Gradually, as the years of crisis passed, with the government unable to overcome the chronic deficits in the balance of payments, the desire grew at Christiansborg for trying with new means, including devaluations and a selective credit policy (meaning special cheap loans for certain businesses). The Central Bank, however, held firmly to the old policy, and warned the government against devaluations, which would give an extra push to inflation and might make all attempts at introducing income policy break down. The Central Bank also warned against the selective lending policy, which would weaken the desire and need of the enterprises to borrow foreign

exchange abroad. Instead the Central Bank pointed out that monetary policy must be tightened (higher taxes and government economies) and the income policy made effective (lower wage increases).

Through 1979 the beginning lack of agreement between the government and the Central Bank could to some degree be kept from the public, but since the beginning of this year the tone has been sharpened by Central Bank director Erik Hoffmeyer.

#### Who Decides?

The government's devaluation of the krone by 5 percent in November, only 2 months after the latest rate of exchange adjustment, did not have the blessing of the Central Bank. In its report, the Central Bank warns directly against further devaluations, which will "weaken confidence in the foreign exchange policy, thereby hampering the enterprises' capital imports, while at the same time the possibility of dampening inflation is forfeit."

When the government's plans for transferring billions from pension treasuries and insurance companies to business as cheap capital became known to the public, the former economy minister (now bank director in Andelsbanken) P. Nyboe Andersen asked the question: "Who is really responsible for credit policy in this country?"

Nyboe Andersen saw at once that the government's pension treasury plans were directly contradictory to the prevailing monetary policy.

Two days after Nyboe Andersen asked his question Central Bank Director Erik Hoffmeyer finally spoke his mind, directing severe public criticism against the government's change of course in the foreign exchange and monetary policy. This took place at the annual meeting of the Real Credit Council at Nyborg Strand on 25 April.

#### Open Criticism

Without circumlocution, Hoffmeyer said that the two devaluations in the fall of 1979 created an uncomfortable uncertainty about our exchange rate course. At the same time he directed an unprecedentedly sharp criticism against the cheap K loans [expansion unknown] for business and industry and against the pension treasury plans, which constitute a threat to the entire Danish supply of foreign exchange.

"We cannot afford to experiment with such plans, the effects of which in the foreign exchange area are unforeseeable," said Hoffmeyer, arguing strongly and convincingly for no change now in the credit policy.

The economy has a short term debt to foreign lenders of 30 billion kroner, a debt that will become payable within the next 12 months, and which will necessarily have to be renewed through new foreign credits, because the Danish foreign exchange reserve amounts to only a little over 16 billion



kroner. Thus there is simply not enough available in foreign exchange to take care of paying off the short term foreign business credits. If the government's pension treasury plans are implemented, the business enterprises will have the opportunity to pay off their foreign debts, and the foreign exchange will gush out quite uncontrolled.

The Central Bank does not wish to see the credit ceiling holed through by pension treasury billions, which in addition are to be offered at low rates to the enterprises. The high interest policy must be maintained, Hoffmeyer thundered from Nyborg Strand.

#### Behind the Scenes

When the Central Bank director publicly directs so strong a warning and criticism against the government there must be a special explanation, and there is.

Behind Hoffmeyer's wrath lies a very peculiar behavior on the part of economy minister Ivar Norgaard. Without informing his cabinet colleagues and the Central Bank, Norgaard has worked on his capital plans.

In an area in which the economy minister from the first should have informed both the Central Bank and industry ministry, Ivar Norgaard has kept silent. BERLINGSKE TIDENDE has been informed that the Central Bank director was furious when [Norgaard's] capital plans were reported to him.

Economy minister Norgaard's behavior also explains why the Central Bank thereupon sent a warning concerning the capital plans not only to the economy minister himself, but to the industry minister, the premier, and three other ministers as well. The economy minister was not to have the opportunity not to inform the rest of the government about the Central Bank's warning. The note, by the way, was leaked to the press, though hardly by the Central Bank.

In today's situation there is an overt dispute between the Central Bank and the economy minister (and the rest of the government?) about foreign exchange and credit policies. This in itself makes Denmark's economic situation more difficult.

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## FINANCE MINISTRY ECONOMISTS HIT PUBLIC SPENDING

Oslo AFTENPOSTEN in Norwegian 12 May 80 p 31

[Article by Thomas Knutzen and Tom A. Kolstad: "Denmark's Dismal Prospects: Zero Growth and Increased Unemployment"]

[Text] Copenhagen, May. Zero growth in the public sector, zero growth in private consumption, increased unemployment. This is what Denmark has to look forward to in future years--if everything goes as it should. The Finance Department's own economists point out that there is a need for a tighter expense policy in the public budgets than what has been attempted in the postwar period, and that now it is no longer sufficient to reduce the growth.

They talk about a "wall of well-acquired rights which gradually shield the public sector" and also that there is a change and a drifting upward in public expenses beyond what has been planned and actually also budgeted. It is in the most recent "budget report" that the civil servants in the finance and budget departments make their critical remarks.

The public sector comes under the economists' searchlight for two reasons in Denmark. Not only are the deficits in the state, county and municipal budgets so big that they involve a finance problem, but growth in the public sector also means increased employment. Especially economists who are associated with private industry in Denmark maintain that in order for industries which are exposed to competition and must grow in order for Denmark's balance of payments to be corrected to get the employees they need, there must be zero growth for the public [sector].

## Increased Unemployment

But not everybody agrees on this point: Today Denmark has an unemployment of approximately 150,000, and public estimates conclude that it will increase to more than 200,000 in 1981-82. It is maintained that reduced employment will only make this worse.

"We do not reject public savings, but we ask if it is defensible for the long term, whether it solves the structure problem in Denmark, the chief economist in the Federation of Trade Unions, Paul Nyrop Rasmussen, tells AFTENPOSTEN.

The structure problem he is thinking of is that the industries exposed to competition are too small.

"We will not export for one krone more if we reduce the public budgets," says he. Nyrop Rasmussen and the Federation of Trade Unions believes there is a need for a long-range policy which strengthens the industry. "Summary savings without clarifying in advance where the advantage is to be obtained do not seem to be a good idea," says the Federation of Trade Unions' economist.

Mogens Lykketoft, who is chief economist in the Workers' Employment Council, covers the same subject. He says: "Even with an unchanged standard in all areas, a considerable real growth will be built in. It may turn out to be unobtainable from a social democratic point of view if one requires zero, but we will get down as far as possible."

#### Imagined Savings

When one talks about savings in Denmark, it does not mean that one wants to cut the public authorized budgets. It is in a future planned budget one will save. The method is as follows: the civil servants in the Finance Department in Copenhagen developed a model, a prognosis for how big the public appropriations will be. This so-called initial estimate is based on decisions made and also on the certainty that a little more will be passed. It is from this curve that the politicians calculate their savings. None of the economists which AFTENPOSTEN interviewed believed that one should reduce budgets already passed. "One reduces an increase which hasn't even been budgeted," says chief economist Jorgen Hansen in the Industry Council about what he has recommended, namely zero growth: "One should not save anything, only keep buying with what one has," says he.

Chief economist Torben Nielsen of Privatbanken is setting up the calculation many people in Denmark are questioning: 1.1 million people receive some kind of transfer of money from the government. Some 850,000 people are employed by the state. This constitutes a total of almost 2 million people. Some 1.5 million people are employed in the private sector.

"All have been sucked into the public sector," says he. "The growth rate is therefore so difficult to stop. He believes that it is politically impossible to arrange such big savings that this alone can reestablish the balance in the Danish economy. If Denmark is to save to create a balance in 1985, the public budgets must be reduced annually by approximately 40 billion kroner. This year the total budgets are approximately 210 billion kroner.

Nielsen believes it is more important to reduce the growth in the number of heads in the public sector than the growth in kroner. "Savings are necessary in order for industry to get enough labor," says he.

Jorgen Hansen in the Industry Council has counted on this. With a labor force which grows by 25,000-30,000 annually, the industry must get this growth if it is to employ 100,000 more in 4 to 5 years. One hundred thousand new jobs in those industries which are exposed to competition is what is required if one is to achieve a balance in the Danish foreign economy, which this year has a deficit of between 16 and 20 billion kroner.

"Zero growth is not an adequate agent but a necessary condition," he emphasizes.

"The growth the Danish society can create must be used to straighten up the balance of payments. In a few years we must produce more without consuming more.

But a conversion of this type creates problems. Not only have many of those who now are about to conclude an education planned to get into jobs in the public sector, but there will also be wage problems. In the department's budget report it was pointed out that those employed in private companies must get part of the productivity growth which takes place, and that this will take place at the same time as the total private demand must not grow.

Secretariat leader Folmer Hammerum in the Economic Council points these problems out and doubts that the big groups in the public sector will relinquish any real wages without striking with their swords. An economic study even says that the public employees have paid for the growth in their own fields by going down drastically in real income.

Mogens Lykketofte questions whether such an uneven wage development is necessary, while Paul Nyrop Rasmussen rejects this approach completely.

Lykketofte believes one must evaluate whether the basic education aimed at industry thus gives those who are to enter industry the qualifications which are required.

Lykketofte's reasoning also says that it is not a goal that the employees will participate in the productivity growth in the companies. "In this period it is obvious that those who own will be better off," says he.

Metall's economist, Steffen Moller, does not follow this line and believes that the wage difference is important, but he also realizes that it will be very difficult to manage.

## Fewer Unemployed

The disagreement on this point is partly due to a different evaluation of the number of unemployed. Here Steffen Moller agrees with the economists in private industry and considers the figure of 150,000 not to be real. "The unemployment is not such a big problem today," says Moller. After having subtracted approximately one-half who he believes have a firm association with a company even though they are registered as unemployed, and an additional one-quarter as unqualified, Moller is left with what he considers as the real unemployment of 30,000-40,000.

Paul Nyrop Rasmussen disagrees sharply. "It is nonsense as long as we have 170,000 unemployed," says he about the so-called paradox problem. "The debate about the number of unemployed has political overtones. It is an attempt to sweep part of the unemployment under the carpet," says the chief economist of the Federation of Trade Unions.

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CSO: 3108

## LARGE INCREASE IN BUSINESS BANKRUPTCY NOTED

Copenhagen BERLINGSKE TIDENDE in Danish 11 May 80 p 1

[Article by Frank Dahlgaard: "Great Increase in Number of Bankruptcies"]

[Text] The number of business bankruptcies is increasing rapidly, and in the large banks defaults on loans are seen everyday.

The Mercantile and Shipping Court informs BERLINGSKE TIDENDE that at the present time about 600 bankruptcy cases, from the Copenhagen area alone, are being processed, and that the number of cases is growing rapidly.

In 1977 there were 100 cases of bankruptcy in the capital; in 1978 the number had grown to 210, and in 1979 the number of declared bankruptcies was 318. During the first 4 months of 1980, 150 bankruptcies were registered, and it is estimated by the Mercantile and Shipping Court that the figure will reach about 400 by the end of the year.

The 600 bankruptcies being processed by the court are described as a "huge number."

Since the crisis began in 1974 the big banks have seen loans defaulted every single working day.

Director Bendt Hansen of Handelsbanken [Bank of Trade], chairman of the Bank Association: "Formerly there were among defaulted loans many small mortgages, but now there is a tendency toward an increasing number of smaller and some larger enterprises being in default."

The director of the Central Bank states that business is hit by the economic crisis over a broad front. Particularly hard hit, however, is the construction industry, not least the contractors. Automobile dealers and the hotel and restaurant business are also in difficulties due to failing sales. Agriculture and fisheries are also hard hit.

Director H. Paaschburg, Privatbanken: "New businesses are constantly being started, but the failure rate among them is very high. Experience shows



that after 2 years only one half of newly started businesses remain, and after 3 years only one third have survived."

Paaschenburg adds that today--as opposed to the crisis of the 1930's--people are very cautious about starting new businesses, for this demands giving up a safe way of making a living for something very uncertain.

The poor business conditions are reflected in the setting aside in banks and savings institutions of very great reserves to meet losses on loans. The problems of business thus hit bank profits and make it difficult for these institutions to meet the requirements of the bank law for high and growing paid in capital.

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CSO: 3106

## FUND DEPLETED AS BUSINESS BANKRUPTCY INCREASES

Copenhagen BERLINGSKE TIDENDE in Danish 14 May 80 p 1

[Article by Frank Dahlgaard: "Bankruptcies Deplete Wage Earners Guarantee Fund"]

[Text] The rapidly rising number of business bankruptcies has depleted the 1980 budget of the Wage Earners Guarantee Fund (LG), and the fund risks running out of money before the end of the year.

Office manager Sven Fristrup of the LG states that payments from the Guarantee Fund for the first quarter of the year are over 60 percent higher than they were during the same period of last year. The 1980 budget reckoned with a growth of the payments of 7 to 10 percent.

In 1979, 58 million kroner was paid by the LG to 16,600 wage earners, who because their firm went bankrupt or ceased to exist did not receive what they had coming in wages or vacation money. Calculated in working hours, 1979 payments by the guarantee fund corresponds to 2 million hours.

Payments during the first months of this year amount to over 60 percent above the 1979 level, and if this gloomy development continues, and much indicates that it will, the total LG payments will this year approach 100 million kroner.

Office manager Sven Fristrup says to BERLINGSKE TIDENDE that this development may mean that the LG fund will run dry before the end of the year. If this happens, however, the necessary money will be borrowed, presumably from the ATP [expansion unknown] fund. For 1981 the employers' contribution to the fund must in this case be increased. For this year the contribution is set at 30 kroner per year for each fully employed worker, paid by the employers to the LG.

Sven Bistrup points out that there is a tendency toward larger enterprise going bankrupt than was the case earlier. It is apparent from the LG report, now being published, that the construction sector and hotel and restaurant enterprises are particularly hard hit by the economic crisis. One of twenty workers in the restaurant field applied for compensation from the Guarantee Fund last year.

## STUDY PREDICTS DIFFICULT DECADE AHEAD FOR AGRICULTURE

Copenhagen BERLINGKSE TIDENDE in Danish 3 May 80 p 6

[Article: "Agriculture in Decline"]

[Text] Agriculture in coming years will not be able to contribute to a solution of Denmark's balance of payments and employment problems unless radical technical and economic changes take place.

This appears in a forecast of Danish agriculture to 1990 which the two lecturers Frede Andersen and Poul Erik Stryg from the Economics Institute at the Royal Veterinary and Agricultural College are publishing in a special issue of FORSKNINGEN OG SAMFUNDET [Research and Society] published by the State Social Science Research Council.

The forecast is the result of a research project titled "Danish Agriculture's Regional Development to 1990," which the two lecturers concluded last year, and whose main purpose is to procure a basis for decision for businesses, organizations and public authorities who currently must plan and make decisions regarding industrial, regional and social economics.

According to the forecast the trend of fewer but larger farms will continue until 1990, when the number of farms will be reduced a good 25 percent to about 88,000 with an average area of about 32 hectares.

Over the last 20 years the number of farms has dropped from a scant 200,000 to about 120,000, which includes a quite significant decline in the number of farms with an area of under 30 hectares and a rise in the number of farms with over 30 hectares.

Employment in the agricultural sector--including service and processing enterprises--today makes up about 10 percent of the combined labor force, and forecasts of the development of the manpower requirement for agriculture show a reduction of about 35 percent from 1978 to 1990.

Part of the explanation is increased labor productivity as the result of increasing mechanization and structural rationalization, but in addition there is an expected decline in labor intensive cattle farm production.

## Fewer Dairy Cattle Herds

Andersen and Stryg count on a continued decline in dairy cattle herds, which will be heavily intensified in the latter half of the period, while porker production is expected to increase 40 percent, but the drop in the manpower requirement in cattle production will more than outweigh the increased labor requirements which the rise in pork production--all other things being equal--will necessitate.

On the other hand, they do not think that there is reason to anticipate a drop in the subsequent employment which agriculture produces, for constantly more of agriculture's labor processes are being transformed into other industries, but all in all it is assumed that the agricultural sector's importance for employment will drop up to 1990.

If the foreseen development in domestic animal production becomes a reality, the two researchers also do not think that there is reason for great optimism with regard to agriculture's abilities to contribute to a solution to the balance of payments problem.

At the moment export sums from the cattle and pork sector are of somewhat the same size. In coming years is expected a considerable quantitative growth in the export of pork products, but in the slightly longer term it is thought that this increase to some extent will be outweighed by a decline in the export of dairy products along with beef and veal.

Add to this that in coming years may be anticipated limited rises in export prices for agricultural products and worsening of the trade situation in agricultural foreign trade.

The forecast is based on a number of assumptions, e.g., an economic rate of growth of two percent per year is anticipated up to 1990, and Andersen and Stryg point out that the forecast naturally has validity only under the set of assumptions upon which the estimates are based. Reality will consequently be able to "fool" the forecast if the assumptions made do not hold true.

"Greater ingenuity and efficiency in agricultural production and in the processing and marketing sectors lie within the scope of possibility," the two believe. "An economic policy which improves the competitiveness of export businesses is another--but perhaps unrealistic--possibility," they say.

A loan of between 30 and 40 million kroner has remained abroad for several months and waited to be taken home for investment in Danish slaughterhouses, dairies and other agriculture-owned businesses, because enterprises do not dare to throw themselves into major projects because of agriculture's economic problems.

It is a long time ago that promise of this loan was given through the Capital Arrangement Association for Agriculture, but a number of agricultural enterprises have left the investments in abeyance in connection with agriculture's so-called investment freeze, which has been able to be felt to a great extent in the Capital Arrangement Association in recent times.

The association's activities last year were still strongly marked by the optimism which generally manifested itself in Danish agriculture the previous year and a little into 1979, and which was reflected in a considerable passion for investment, it appeared from the association's general meeting Wednesday in Copenhagen.

The Capital Arrangement Association which brings home combined bloc loans from abroad and distributes them to borrowers within agriculture's own enterprises last year arranged for 177 million kroner in this manner, which is more than double as compared with the association's first year, 1978.

In pace with the growing economic problems for a number of farmers, especially younger newly established ones and others who had made large investments in the expansion of production in recent years, the activity slackened noticeably, and this trend was intensified in the beginning of the year after agricultural organizations in December brought about an investment freeze in protest against, for one thing, the special tax on agricultural land.

Although agricultural organizations a short time ago were in agreement about easing the investment freeze, there are still no clear indications that investments are about to begin again, says Bureau Chief A. Vestern Pedersen of the Agriculture Council, who is leader of the Capital Arrangement Association's secretariat.

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CSO: 3106

## BRIEFS

GREENLAND WARNED IF REJECTS EC--Greenland cannot expect that Denmark will compensate for the loss of specific EC grants-in-aid to Denmark if Greenland after a new referendum decides to withdraw from EC. Greenland Minister Jørgen Peder Hansen has written this is a reply to Member of Parliament Otto Steenholdt. Greenland has received subsidies from EC's social fund, regional fund and agricultural fund, as well as from the investment bank. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 16 May 80 p 8] 8985

FEWER CONSERVE ENERGY--The Trade Ministry's energy saving campaigns to get people to save heat and hot water in their homes have worked only in the very short term. Already now most people have forgotten all the good practices regarding shutting doors, turning the heat down at night, refraining from taking tub baths, etc. "People fall quickly back into their old bad habits," says DONG's [expansion unknown] Director B. Gerhard Jensen,, who himself sat on the Trade Ministry's Energy Saving Committee until 1979. The information came up at a meeting arranged by the Joint Council for Marketing at Hotel Skandinavia yesterday. Gerhard Jensen related further that if it were possible to radically change the bad energy habits of individuals it would mean a 15 to 20 percent reduced consumption of energy. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 1 May 80 p 8] 8985

CSO: 3106



WEHNER ON FURTHER SPD COURSE IN ELECTION CAMPAIGN

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 16 May 80 p 17

[Open letter by Herbert Wehner to his colleagues in the SPD: "Herbert Wehner Warns Against Complainers and Complacency in the SPD"]

[Text] Obviously influenced by the results of the most recent Landtag elections in the Saarland and North Rhine-Westphalia, Herbert Wehner, SPD fraction chairman in the Bundestag, has written a letter to the members of that group in which he directs urgent warnings to his SPD colleagues in the light of the Bundestag elections which are due in the fall. We publish the letter here verbatim.

Dear Friends,

The results of the elections in the Saar and North Rhine-Westphalia, which, indeed, should not lead us astray into arrogance but which nevertheless can make us happy, provide a good basis from which to set out along the road to the Bundestag election on 5 October. But I want to warn you against complacency. We will only be successful in the fall if we do not go into retirement now and if we do not allow ourselves to become involved in the confrontation campaign that the CDU/CSU wants. I hope everybody has noticed that the Union has already gotten its Bundestag campaign under way under a full head of steam, not waiting until the presentation of its campaign platform on Tuesday.

What the Election Results Show

Even without the scientific studies of the election analysts, one can draw three important political conclusions from the elections in the Saar and North Rhine-Westphalia, as follows:

1. The sensible and realistic peace and detente policy of Chancellor Helmut Schmidt is clearly supported by the voters. All of the opposition's chatter about crises, all the outrageous personal attacks upon Social Democratic politicians and all the individual polemics by the opposition--

like the one against the chancellor's trip to Moscow--are of no avail with the voters because the citizens know the difference between a responsible peace policy and irresponsible chatter.

J. Franz Josef Strauss is encountering resistance among the voters. "Typical" Union voters are not going to the polls, or they are giving their votes to the SPD. Strauss as an individual makes it clear to young voters that their interests are better represented by the SPD. The candidacy of the Bavarian minister president is clearly a burden for the Union to bear. There will be no change in that situation before 5 October and certainly not in light of the confrontation strategy which is personally desired by Strauss.

J. Clear statements on the party's program expressed with personal commitment are desired and recognized by the voters. And that is especially true of the young voters. However, it is necessary that the party be in agreement in regard to its candidates and the contents of its program.

Thus there is no reason why we should change the course we are pursuing--that is, a continuation of our sensible policy in Bonn, oriented toward practical matters and without any inquiring glances ahead toward the coming election day, and a fair and relevant campaign without any attribution of supernatural qualities to individuals. The only thing is that the Union wants to persuade us to depart from that course.

#### Strauss Continues To Want a Confrontation

In the Union, too, it has been recognized that the CDU's and the CSU's losing trend in the last Landtag elections is also a rejection by the citizens of Strauss and the policy of obstruction of which he is the symbol. But the Union cannot find the strength to carry out a change in its strategy, and it has even less strength to change its candidate. Even now, after the voters have given their answer, the Union does not declare itself as favoring a community of interests among those claiming to be supporters of democracy either because of the serious international stresses and strains or because of shocking internal events such as the riots in Bremen. They are lacking the statesmanlike responsibility of a genuine parliamentary opposition, and they are also lacking the realization that, under such stresses and strains, the citizens do not desire an adversary relationship between parties.

Instead, the Union is embarking on a "forward retreat" type of maneuver. The blindly raging confrontation strategy of Sonthofen is being continued. The minister president of Bavaria clearly said so on German television on the election night of 11 May. What he said was, "Now a stiffer pace will be set."

In accordance with the "stop thief" method, the Union is trying to put the blame for the exacerbation of the debate on the Social Democrats. A speech

by the chancellor in which he referred to an article by a notable American political scientist in a respected American foreign-policy periodical is intended to serve that purpose. The present world situation is compared with that in 1914 in that article. In addition, the chancellor emphasized the fact, in his speech, that only a few of the ideas in the article seemed to him interesting and worth reflection. Describing that, in the Union's camp, as "fanning anxiety" is not only ridiculous on the face of it, but it is also incredible coming from the mouths of politicians like Kohl and Strauss, for they are comparing 1980 with 1938.

Aside from that, the Bavarian minister president has abandoned his temporary verbal restraint during the last few weeks and moved on to monstrous insults directed at the chancellor himself with phrases like "the panic chancellor," "the war chancellor," "ripe for the mental hospital" and a defamation of Social Democrats as the "Moscow faction." Anyone who uses this vocabulary, that of an internal war, cannot speak of solidarity among the democrats or of a fair election campaign. Strauss finally reached his peak when he presented the Union's campaign platform on 13 May, saying, in response to a question by a television reporter: "Do you expect a big war in the 1930's?" word for word: "Not if we take over the government!" Quite apart from the boastfulness displayed here, that is certainly one of the most monstrous statements made during any of the last few years. The "ugly Strauss" surpassed himself there.

With their confrontation, Strauss and the Union are pursuing two goals. First, the FDP, crushed by unrestrained polarization between the big parties, is to be pushed below the 5-percent limit. Second, Strauss hopes, by means of a political religious war on the chancellor's policies and party, to torpedo the chancellor's sensible peace policy--which, indeed, is firmly anchored in the party and the country's population--and render it ineffective nationally and internationally, so that he then can present himself as the strong man who was always right and must now take over the helm. The Social Democrats and Free Democrats must not and will not allow either of these things to happen.

The Bundestag debate about the events in Bremen gave us a foretaste of what is coming. Kohl and Dregger tried, with all imaginable verbal asperity, to lump Social Democrats and violent criminals together. The chancellor, the minister of defense, the mayor of Bremen and the deputy chairman of the SPD responded resolutely in that debate in a parliamentary style which was compatible with the subject matter and the seriousness of the events. That, too, should provide us with an indication of the type of policy we should pursue and the type of campaign we should conduct.

#### We Should Not Allow Ourselves To Be Drawn Into a Religious War

Social Democrats must not allow themselves to be drawn into a political "religious war." What Kurt Schumacher said at the second party congress of the SPD after World War II in Nuernberg holds true for our election campaign, too:

1. Democracy is based upon the principle of reciprocity and honesty.
2. Democracy can only survive if people are self-reliant and are willing to be objective.
3. The manipulation of political resources in a technocratic manner, or in a manner involving the use of what amounts to actual military strategy, produces the opposite result. Any one of us who, even in the face of the most malevolent polemics and personal insults on the part of Union politicians, permits himself, during the campaign, to indulge in paying back tirades of hatred in the same coin will be helping the Union, no matter how humanly understandable his reaction may be. Confrontation disrupts our democracy, our policy and our party and inevitably leads sharply to the right. Strauss and the Union know that they have nothing of equal value to oppose the chancellor's sensible peace policy, the tenacious, patient and successful work of the Social Democratic representatives in the German Bundestag and our balanced and steady election campaign statements. And the campaign platform which is to be sanctified by the undemocratic, harebrained procedure of the CDU and CSU delegates does not change anything at all in that situation. The program, which is ill-defined as to content, and which is even further watered down by a long-winded preamble written by Strauss himself, is only a cumbersome burden the Union's candidates are obliged to carry, anyhow. The CSU's slogan, "Strauss is our program," continues to hold good. The Union wants to yelp so that we will yelp, too, because they hope that the voters will crown Strauss as the "supreme yelper." But we are not going to yelp with them!

#### Let Us Tell Our Neighbors What We Want

If we conduct our campaign objectively, without allowing ourselves to be influenced by anyone, we will not need to have any concern at all, no matter how ferociously the opposition attacks us. The Union's aggressive attacks will be directed at themselves in the eyes of the voters. What we need is personal conversations with neighbors and colleagues, male and female. We should not rely exclusively on the government's successful policies, on "our comrade, the general trend," on the good results from North Rhine-Westphalia or on further mistakes by the Union, and neither should we rely on the fact that the "central party headquarters" is already making sure of success with the resources of modern advertising campaigns. Instead, what is decisive is personal conversation. What we have accomplished and what we want to accomplish in the future--and what we have set forth in many documents, some of which were complicated ones--we have to make understandable to the individual voter. The labor management act, the job safety law, the federal personnel representation law, the cottage industry modification law, the law regarding bankruptcy losses, the operational income law, the place of work regulation, the working medium regulation, the child labor protection law, the codetermination law, the maternity leave law, the law on speeding up industrial court proceedings,

the environmental chemicals law and the tax package--all these are only some key phrases which have to be explained. There are many more in the speakers' programs.

If we begin now to hold these conversations, which accomplish a thousand times more than babbling posters, and continue with them in all seriousness until 5 October instead of resting on the laurels of our comrades in North Rhine-Westphalia, and if we stick with an objective, argumentative and fair style of discussion in posters, leaflets, speeches, rallies, and, if course, in conversations, we will be able to attain our goal of entering the next German Bundestag stronger than the CDU-CSU combination again. Nothing is going to be presented to us on a platter. Tell that to the comrades, too.

Hearty greetings!

Yours, Herbert Wehner

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CSO: 3103

## POLL TAKEN ON CHOICE BETWEEN WAR, DEMOCRACY

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 16 May 80 p 3

[Text] Since the 1950's, the Allensbach Institute for Demoscopy has been asking the citizens of the FRG, at certain intervals of time, whether they-- if they were confronted with the alternative--would prefer to defend democracy or would want to prevent war, even at the price of a communist assumption of power. Up to the present, the figures obtained have not been published. The RHEINISCHER MERKUR/CHRIST UND WELT presents the results of the poll on an exclusive basis. They show that the trend has been relatively stable, except for a few deviations: for the majority of the population, the prevention of war is the most important thing. Even a differentiation between war and nuclear war does not result in any shifts worth mentioning (see tables). No more did the invasion of Afghanistan influence the population's assessment of the situation, as the figures for March 1980 demonstrate.

## Questions and Tabulated Responses to Them:

Question 1: "No one knows what will happen, but what is your opinion? If we are faced with a choice, some day, either to allow Europe to become a Soviet territory or to defend ourselves against that with all available means, which is the more important--primarily to avoid war, even though we then would have to live under a communist government, or to defend democratic freedom, even if that meant there would be a nuclear war?"

## Entire West German Adult Population, Including West Berlin

	May 1955	June 1956	May 1959*	July 1960	Mar./ Apr. 1976	Feb./ Mar. 1979	Aug. 1979	Sep. 1979	Mar. 1980
	%	%	%	%	%	%	%	%	%
1. Primarily avoid war	36	38	42	38	52	52	46	44	43
2. Defend democracy	33	25	30	30	28	23	28	30	30
3. Impossible to say	<u>31</u>	<u>37</u>	<u>28</u>	<u>32</u>	<u>20</u>	<u>25</u>	<u>26</u>	<u>26</u>	<u>27</u>
	100	100	100	100	100	100	100	100	100

\*Up to 1956: Inhabitants 18 years of age and older  
1959 and later: Inhabitants 16 years of age and older



Question 2: "No one knows what will happen, but what is your opinion? If we are faced with a choice, some day, either to allow Europe to become a Soviet territory or to defend ourselves against that with all available means, which is the more important--to defend democratic freedom, even if that meant there would be a nuclear war, or primarily to avoid war, even though we then would have to live under a communist government?"

Entire West German Population, Including West Berlin

	August 1979 %
Primarily avoid nuclear war	46
Defend democracy	28
Impossible to say	<u>26</u>
	100

Question 3: "No one knows what will happen, but what is your opinion? If we are faced with a choice, some day, either to allow Europe to become a Soviet territory or to defend ourselves against that with all available means, which is the more important--to defend democratic freedom, even if that meant there would be a war, or primarily to avoid war, even though we then would have to live under a communist government?"

Entire West German Population, Including West Berlin

	August 1979 %
Primarily avoid war	44
Defend democracy	31
Impossible to say	<u>25</u>
	100

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## NEW YOUTH ORGANIZATION ARISING IN FDP

Hamburg DER SPIEGEL in German 2 Jun 80 pp 37-39

[Article: "Ballyhoo in Flea Circus"]

[Text] Against the will of the party leadership a new youth organization is arising in the FDP. It is supported by rightwing Free Democrats.

Indignant FDP members would like nothing better than to throw their own brood out of their nest. At the FDP election congress in Freiburg at the end of this week they plan to do away with their refractory youth organization, the German Young Democrats (Judo's).

An independent registered association with loose ties to the mother party, the Judo's have incurred the wrath of the Free Democrats.

"Many people forget," the Young Democrats state in a strategy paper, "that the FDP unequivocally represents an agency of the forces which we want to deprive of their power in this society." And in a list of demands on the occasion of the elections, the young FDP people for good measure called for recognition of GDR citizenship.

Saarland FDP chief Werner Klumpp, seeing the Judo resolutions interfering in his election campaign, demanded indignantly "that we put an end to this once for all," saying that "we cannot let ourselves be terrorized any further by the Young Democrats." Federal Economics Minister Otto Graf Lambsdorff said mockingly that the Judo's were "a flea circus, only smaller and not such fun."

And at Land congresses in Baden-Wuerttemberg, Hesse and Rhineland-Palatinate in last April, irate Liberals demanded that their leaders divorce themselves once for all from the Young Democrats or at least look into whether their political statements were still reconcilable with the FDP statutes.

They were encouraged by a reprimand of the Judo's by their federal chairman, Hans-Dietrich Genscher. He went on record in March with the statement that the party's youth organization had "moved an unprecedented distance away from the FDP" and had "virtually dropped into insignificance."

But worried again about young voters since the debacle in North Rhine-Westphalia, Genscher would find an open dispute over the Young Democrats extremely inconvenient. So the organizers in the Land parties were keen on not putting any of the relevant proposals on the agenda in Freiburg. "We will kill anyone who openly discusses this before the elections," said an FDP official at Thomas-Dehler-Haus in Bonn.

Meanwhile young FDP members who no longer feel that the Young Democrats represent their interests are taking advantage of the quiet ordered until election day to prepare for D-day. They want to force a discussion of principle about the FDP's relationship with its Judo's at the national FDP congress in Munich in early December and, to the extent possible, be ready with a concrete alternative--a new youth association loyal to the party called Young Liberals.

Already Young Liberals whom the Judo course of conflict does not suit have met in discussion groups in the Saarland, Baden-Wuerttemberg, Bavaria, Berlin, Hesse, North Rhine-Westphalia and Lower Saxony. "Land representatives" of the Young Liberals (called Juli's in party jargon) are also in readiness in Hamburg and Rhineland-Palatinate. Economist Juergen Hacker, 32, of Hannover and businessman Klaus-Peter Flesch of Frankfurt together with four people of like mind are trying to steer matters onto the national level.

At the invitation of Flesch and Hacker--both busy party workers in the FDP--37 emissaries of the Young Liberals from 8 FDP Land parties gathered at Engenhahn in Hesse on 19 and 20 April. There, at the Wildpark Hotel, the intermediaries sorted out the prospects for founding a new FDP youth association.

For a start, they decided, the Young Liberals should "continue to operate as a nationwide discussion group, while giving priority to supporting the FDP Bundestag election campaign and postponing until after the election their decision about possible firm forms of organization."

At Land meetings at Neu-Isenburg on 14 May, at Leverkusen on 17 May and in Mainz last Saturday, the Young Liberals pledged to keep quiet until a new national conference after the election but before the FDP congress in Munich.

Nothing is more important to the Juli's than the welfare of their party. "To do all right in the Bundestag elections is clearly the most important thing," says Klaus-Peter Flesch. And Berek Severa, 30, cofounder of the Young Liberals in Hesse and a delegate to the FDP congress in Freiburg, state "We want to support the party unconditionally and unreservedly, regardless of whether there is a Mrs Schuchardt or a Graf Lambadorff there."

The Young Liberals therefore really have no need of a program of their own, though they have already created a statute committee and a committee to deal with basic principles. "The FDP program is the basis of our work," Hacker says.

Such statements of devotion are welcomed by a number of FDP politicians who otherwise are not exactly being spoiled by their party youth.

In Hesse FDP chief Ekkehard Gries plans to talk with Jüli's and Judo's during the next couple of weeks. While appreciating the fact that the Young Liberals are dissociating themselves "from extreme positions of the Young Democrats" and are actively working in the party, he has no use for new organizations. "Let them operate with the Young Democrats in order to achieve relevant majorities," Gries says.

The well-behaved party youths have also knocked at the door of Minister of Agriculture Josef Ertl--successfully so. Ertl says: "I am prepared to talk with them. I am glad about any young person working in the party."

Nor does Werner Klumpp in the Saarland want to be left out, for the Young Liberals after all, unlike the Young Democrats, helped him in the election campaign. "This will be rewarded," Klumpp says; "I would like to have a young organization here which supports the FDP."

Has Werner Kraemer, former Land treasurer of the Judo's is already delighted about the success of his allegedly more than 100 Young Liberals in the Saarland. He says: "We will probably be the first to be acknowledged as a youth organization by the FDP."

However, anyone who dares to act this independently with the Young Liberals is inviting a quarrel with the national party, for the latter, according to FDP Secretary General Guenter Verheugen, "does not intend to establish a youth organization of its own."

Rather, the FDP wants to demonstrate that it is still capable of a dialog with its "undogmatic" left (a term the Judo's use to describe themselves). Verheugen therefore rejects outright any demands for using the party statutes against the unloved Judo's or blocking their annual DM 50,000 grant from the FDP treasury.

According to party chief Genscher, fewer and fewer new FDP members are joining the FDP via the Young Democrats. Nor are groups of Young Liberals necessarily being founded in protest against the Young Democrats, according to party analysts in Thomas-Dehler-Haus; they often arise at places where there is no presence of the weak-chested Judo's--in small places, in the countryside.

And wherever there still exist functioning Judo groups, concedes their national chairman, Christoph Straesser, 30, self-critically, "we have considerable difficulties in presenting ourselves as an independent youth organization, particularly also before young people."

With its "chaotic strategy paper" (as former Judo chief Hans-Peter Knirsch puts it) the new FDP generation has not exactly made a contribution to clarifying things. A profound realization of the Young Democrats: "We support--not least with our FDP membership fees--a policy that we are in fact fighting against."

Nevertheless the Judo's (describing themselves, in Straesser's words, as "the Greens of the FDP" or "the other FDP") are calling for the election of Free Democrats "not because but despite of their policy"--in order to "prevent a worse, openly repressive policy."

Such hopping about of the Judo's, whom the FDP reproach moreover for local alliances with communist youth organizations, is difficult to explain to young people. Straesser: "If you cannot communicate that, the policy isn't worth a hoot."

The Young Liberals, loyal to the party, need not bother with such self-torture: they move into the gap in the market vacated by the Judo's.

The concern of progressive Liberals that the Juli's thus quite automatically will be in the running is also shared by party veteran William Borm, 84. He thinks that back of the blossoming of Young Liberal groups is a long-term strategy of rightwing FDP politicians who aim at a national CDU-FDP coalition in 1984. In other words, the Juli's are seen as the precursors of a conservative-liberal rally.

Borm was the only prominent FDP politician to warn as early as in November 1979 that "with registered associations and in solid organization form a conservative infrastructure is being created here, from the local party on up, which is bound to prove divisive in the eighties."

So far, however, divisiveness is only in its infancy as far as the Young Liberals are concerned.

In Berlin student Christian Muentzer, 25, an FDP member since 1971, for a year and half has promoted a "working group of Young Liberals" which now--following a suit by the Land party--may no longer include the words "in the FDP" in its designation.

Muentzer describes himself as "first spokesman" of a coordination committee of Young Liberals, stating that he has 300 members nationwide. As a model Juli, Muentzer recruited the GDR emigre Niko Huebner, who has been an FDP member only since last Tuesday.

As far as the Young Liberals gathered around Hacker and Flesch are concerned, Muentzer is no more than "a phantom." They hold against him the party fuss, harmful to the party, which he has triggered with this association in Berlin. "It is stupid to make a political ballyhoo," Flesch says.

Muentzer, however, enjoys the open support of the "Liberal Society," a registered association of some FDP rightwingers gathered around former Senator Hermann Oxfort and former FDP national executive manager Joachim Stanchke. The president of the All-German Institute, Detlef Kuehn, is also backing Muentzer.

The group has considerable funds at its disposal ("from donations," according to Muentner) and can afford to spend money on fares, stationery and leaflets, propaganda material and circulars. In part the money is coming from public funds. In August 1979 Muentner issued invitations for a gathering of Young Liberals including a seminar program at the Eastern Academy in Lueneburg, which Muentner says "subsidized" the conference.

In 1980 the Eastern Academy is subsidized with DM 660,000 from budget item 685-31 of the Federal Ministry for Inner-German Relations, which is also in charge of Kuehn's organization.

Huebner, Muentner and their people also have enough money for their trip to the Freiburg party congress. At the Berlin Democratic Club in Saechsische Strasse, they resolved on 12 May to call "a national coordination meeting of Young Liberals" in Freiburg and to treat the delegates to a situation report.

The Young Democrat will then resort to a political happening. In reply to Lambsdorff's mockery they intend to establish a flea circus at the Freiburg plenum.

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## AMNESTY INTERNATIONAL CRITICIZES PRISON CONDITIONS OF TERRORISTS

Hamburg DER SPIEGEL in German 2 Jun 80 p 107

[Article: "Return to the Middle Ages"--Amnesty International Criticizes Prison Conditions of Terrorists in the Federal Republic--Are We Facing a New Debate About Isolation?"]

[Text] Guenter Sonnenberg, given a life sentence as a terrorist a couple of years ago and occupying cell 224 of the Baden-Wuerttemberg penitentiary of Bruchsal, keeps a record of what rights he still has and what rights he has been deprived of. An excerpt:

"No going into the yard together with the prisoners of the place, but at most with no more than 10 to 15 selected prisoners. Afterwards they search you and may separate you. No inclusion with other prisoners. Visits with dividing window and change of clothes before and after. Ban on work; after yet another inquiry, individual work, work in the cell (straightening out book lists). No leisure events with other prisoners. Going to church Sundays is allowed--evidently the only thing. Purchases only via shopping list (in other words, I can't get things myself). The cells right and left of mine are empty. Ping pong on the first floor. Conversation with me not possible, with one of the greens present on my account....I am pretty sure there's a bug in my cell....Checks of the cell continue daily...."

His prison conditions are far stricter and more trenchant than probably those of any other Bruchsal inmates. This despite the fact that Sonnenberg is a sick man. During the exchange of fire with his pursuers he brought about a Singen in 1977 (resulting in the wounding of two policemen), a bullet penetrated his head, causing a hole 4 centimeters wide. He lay unconscious for 6 days, his severe head wound causing permanent brain damage.

In order to counter the effects at least in part, medical experts recommended "living in an atmosphere full of stimuli" and varied human contact. The 25-year-old inmate is being granted none of that.

The case of Sonnenberg is not an exception but the rule. In all prisons holding presumed or sentenced members of terrorist groups, awaiting trial or serving their sentence, it is not the relatively comfortable normal prison rules that govern but generally, on the advice of the security authorities specifically issued special regulations.

In accordance with these, contacts with fellow prisoners interned because of other offenses are eliminated or curtailed, participation in the labor program, sports and other intramural events are generally forbidden, cells as a rule are under electronic surveillance, and visits of attorneys, friends and relatives, to the extent that they are allowed at all, take place behind dividing windows.

Such prison conditions, particularly if practiced for years on end, sooner or later inevitably have a damaging effect on soul and body. Conveniences such as records, television and books make no difference here because they do not replace human contacts. Last week Amnesty International submitted the results of a pertinent investigation. As prescribed in its statutes, it had been conducted not by Germans but by foreigners and covers the past 3 years.

Amnesty International did not "adopt" a single of the terrorists or suspected terrorists imprisoned in FRG institutions as a "prisoner of conscience" who for instance was imprisoned because of his political beliefs but, on the basis of its statutes, became involved because it had reason to suspect "inhuman or demeaning treatment" of prisoners.

Its experts found "pathological disturbances...and separation syndromes among the group of prisoners it investigated. "In some of these cases disruptions in the intellectual and psychological sphere and disruptions of the vegetative nervous system are so marked as to recall the effects caused by sensory deprivations in experimental situations."

Amnesty International appealed to the federal government "to look for alternatives to isolation and segregation in small groups as normal forms of imprisonment" for prisoners interned "because of politically motivated crimes."

Amnesty International took special exception to the high security areas that had meanwhile been installed at several places in which a group of politically likeminded inmates are held prisoner with extreme security externally and comparative freedom of movement internally. Particularly these new prison conditions have also caused misgivings elsewhere.

In May a congress of defense attorneys in Munich noted that "the more security a prison offers, the more inhumane it is," and former senator for justice in Hamburg Ulrich Klug, FDP, inquired of his Berlin colleague Gerhard Meyer: "Have the Berliners taken leave of their senses? Consistent security thinking leads back to the Middle Ages."

Responsible authorities in the nation and the Laender are resisting another public debate about terrorists' prison conditions. No wonder, considering the fact that the debate over the provocative term "isolation torture," not always conducted fairly by the two sides by any means, conjured up, above all, emotionalism and aggressiveness, harming the international reputation of the federal republic.

An objective conflict between government security needs and minimum humanitarian guarantees for any prisoner is inescapable. It has been shown that in the case of some terrorists imprisonment did not eliminate their threat, the facts including attempts at escape and liberation as well as cooperation between terrorists within and outside prison walls.

Integrating every terrorist along with hundreds of other prisoners indiscriminately into normal prison procedures, with the porousness of institutions that entails, would amount to making it impossible to control the risks.

Not all the leftwing campaigns against "isolation torture" have been based only on humanitarian motives. They were also based on aims to achieve political-ideological solidarity and served to aid the recruiting of new members of urban guerrillas--as described impressively by former terrorists Horst Mahler and Hans-Joachim Klein.

On the other hand, so far no terrorist has been induced to change his fighting objective by stricter prison conditions. On the contrary, these conditions fostered his enmity against the state and, if anything, hardened his attitude. Particularly isolation of likeminded inmates in high security areas resulted in peer pressure and the internal atmosphere almost making it impossible for the individual to dissociate himself from terrorism.

Thus a new debate about the problems entailed in such prison conditions is taking shape. A solution of the conflict is indicated by the priority of values prescribed on the Basic Law--priority for protecting life, with security occupying only second place.

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CSO: 3103

GENSCHER INTERVIEWED ON SITUATION OF FDP

Hamburg DER SPIEGEL in German 19 May 80 pp 29-34

[Interview with Hans-Dietrich Genscher, foreign minister and FDP leader, by Paul Lersch and Richard Kiessler]

[Text] SPIEGEL: Mr Genscher, let us begin with a quote from Franz Josef Strauss about your party...

Genscher: ...that is something you have already done time and again...

SPIEGEL: ...this time it is a rather wicked one: "With the FDP, a person can bank on one thing--namely, on a calculable factor, its lack of character." Strauss says further: When the FDP's existence is threatened it vows fidelity to the SPD with its hand raised in oath, and at the same time it is ready to sign a coalition agreement with the Union. Following its disastrous election defeat in North Rhine-Westphalia [NRW], is the FDP vacillating--once again?

Genscher: The FDP position is clear and unchanged. At the party congress in Freiburg in June, we will decide that we wish to continue our cooperation with the SPD in the governmental coalition in Bonn. There is no vacillation on this matter.

SPIEGEL: However, your fellow party member and cabinet colleague, Josef Ertl, has advanced concerns about whether it is right to commit yourselves again to a coalition declaration in favor of the Social Democrats for the Bundestag elections on 5 October.

Genscher: On the election eve, I had already expressed the opinion that nothing has changed regarding our intention to continue the coalition in Bonn, and in the discussion in the Presidium on Monday of last week, this was fully confirmed by all those present.

SPIEGEL: All the same, party colleagues have been inclined to draw a different conclusion from the defeat in North Rhine-Westphalia. The Hessian FDP Land chairman, Ekkehard Gries, said that in your party

the number of those who do not want to commit themselves to the SPD for the Bundestag election is growing larger and larger.

Genscher: My impression from all the reactions which I have gotten from the party is quite different. My party colleagues want the party line which was traced out even before the North Rhine-Westphalia election to be continued unchanged at this time. That is also the only conceivable decision. Everyone would ask sensibly enough what the reason is to end a good and also successful cooperation.

SPIEGEL: Would a different declaration endanger the existence of the FDP?

Genscher: It is quite certain that the election chances of the FDP would be worse with a different coalition decision.

SPIEGEL: During the NRW election campaign, many of your colleagues were surprised to find in this Land that the question was being put to them time and again: Are you really going to continue on with the SPD in Duesseldorf?

Genscher: I have to say frankly that I have not been approached with these questions. I have also made it quite clear in all my speeches that in North Rhine-Westphalia it is a question of the continuation of a very successful cooperation, and that this is also the necessary condition for the continuation of an equally proper cooperation at the Federal level.

SPIEGEL: Two weeks before the NRW election, the Saarland FDP chairman Werner Klumpp lauded and renewed the coalition with the CDU in his Land. Must not that have confused the voters in North Rhine-Westphalia?

Genscher: I cannot rule out the possibility that the great attention which the election in the Saar attracted has created in fact a certain amount of unsureness in this or that voter. One will be able to more accurately ascertain this only after post-election investigations.

SPIEGEL: The FDP takes many different positions: It forms a coalition with the SPD, it forms a coalition with the CDU, and in some Laender it has not given a firm pledge to anyone. How is the voter to discern a clear course here?

Genscher: I believe that there are really only two positions, although they are not conflicting but rather complementary: Namely, we want to try to continue that cooperation which has been advantageous...

SPIEGEL: ...it makes no difference with which partner...

Genscher: That is true of those Land associations which had a governmental coalition in the past legislative period--that is, in NRW with

the SPD, in the Saar with the CDU. And in those cases where we were in opposition to the absolute majority of the governing party, such as in Baden-Wuerttemberg, Rhineland-Palatinate, and Bavaria, it was important to break this absolute majority.

SPIEGEL: Are you not asking too much of the citizens, with such subtle distinctions?

Genscher: I do not believe that, for example, any confusion has emanated from the election campaign in Baden-Wuerttemberg and from the outcome of this election. The problem was the nearness in time between the NRW and the Saar election.

SPIEGEL: What then do you regard as the main reason for the fiasco in North Rhine-Westphalia?

Genscher: I would not like to enter into an election-campaign chiding right now. I prefer to analyze what we failed to do--namely, to push the Federal-policy themes in our favor as much as the Social Democrats were able to do. We have not made it clear enough that because of the significance of North Rhine-Westphalia for Federal policy, the policy of the party chairman was on the line as well.

SPIEGEL: Schmidt has introduced into the election campaign the question of war or peace as a paramount theme. He has stirred up the issue, so to speak, and at the same time he has reassured the people that he will surely see to it that there is peace...

Genscher: I would not say: stirred up; that is unjust. From the very beginning, the SPD as a whole has clearly planned its strategy to concentrate on Federal policy, with its advertising media, its themes, and its personalities. We have done that too late.

SPIEGEL: Your general secretary, Guenter Verheugen, recommended even months ago that Strauss should be definitely assumed to be the opponent, and that this should be done already in the Landtag election campaigns. Why has that not happened?

Genscher: I myself have always stood up clearly for the continuation of the coalition here in Bonn, which implies: Not Strauss as Federal chancellor. This theme was contained throughout in everything I have said.

SPIEGEL: You personally are considered to have a particularly strong need for harmony...

Genscher: Yes, I have...



SPIEGEL: ...to that extent, many people do not think you have it in you really to wage a tough battle with Strauss.

Genscher: I will never fight by hitting below the belt. Personal defamation is not my line, but our goal is clear.

SPIEGEL: But perhaps not clear enough. You prefer to stick to practical problems. Would it not be more effective and simpler to warn against a Strauss as chancellor?

Genscher: The FDP and Genscher instead of Strauss.

SPIEGEL: But you are not saying that, really.

Genscher: It is hardly possible to say that oneself.

SPIEGEL: Must not the FDP chairman also articulate much more clearly the theme which was once the FDP's very own topic, the policy of detente, and must he not thereby step out more boldly from the shadows of Federal Chancellor Helmut Schmidt?

Genscher: He is not standing in the shadows of Schmidt. But we must emphasize this theme even more. In the elections in Baden-Wuerttemberg, detente policy has played a decisive role. There, in the last 3 weeks of the election campaign, the course was altered once again and foreign policy was focused on even more, in the advertisements, in the media. And, as you know, the result was respectable.

SPIEGEL: We are not the only ones who have the impression that with you, security policy ranks ahead of detente policy.

Genscher: Pardon me, but defense policy and detente policy are the two indispensable components of our security policy.

SPIEGEL: But what is at issue is the priorities...

Genscher: The two are of equal value.

SPIEGEL: One certainly cannot accuse the chancellor of having slighted security policy...

Genscher: ...no...

SPIEGEL: ...indeed, according to the public impression, he has appeared above all to be the statesman of detente, and like Brandt he is regarded already as the peace chancellor. Have you not stressed too much our security needs?

Genscher: No.

SPIEGEL: You are always extolling the alliance with the United States as the guarantee of our security, which--by the way--almost nobody disputes. One has the impression: The foreign minister is not as interested as the chancellor is in cooperation with the Soviet Union, and here he is playing the role of brakeman.

Genscher: Such an impression would be wrong. Consider for example that I was the first West European political figure to express myself positively on the Giersek proposal for the European disarmament conference--a classic case where what was important was to immediately get down in writing an emerging opportunity for an East-West dialog.

SPIEGEL: But precisely in matters of disarmament, you seemed somewhat hesitant when Leonid Brezhnev announced his intention to withdraw troops from the GDR. You acted skeptical and inquisitorial...

Genscher: ...if any example is totally unsuitable, then this one is. One Sunday morning, almost identically worded statements were made by Schmidt and me, which were harmonized with each other.

SPIEGEL: But you are aware of the discussion which came up at that time in your own Bundestag fraction: That announcement must be more positively judged.

Genscher: I remember very accurately that the chancellor and I had a very long telephone conversation regarding this declaration, in order to coordinate our statement. We considered it most important to express ourselves in a completely synchronous manner.

SPIEGEL: The FDP chairman is stressing the bonds between the FRG and the United States to an undeniably greater extent than the Social Democrats are. You are given bad marks for thereby approaching too close to the opposition's position.

Genscher: I hope that nobody in the SPD considers the alliance with the United States to be an affair of the CDU.

SPIEGEL: The only puzzle is how serious you are about establishing a consensus with the Union--a party which has said no or maybe to the Eastern bloc agreements, which has not wanted to take part in the CSCE [Conference on Security and Cooperation in Europe], and which is criticizing continually the detente policy of the SPD/FDP government.

Genscher: If the opposition resolves to support certain sections of this foreign and security policy, I would be foolish and irresponsible to reject this.

SPIEGEL: However, your general secretary has recommended that the FDP must disassociate itself the most clearly from the Union parties precisely in foreign policy.

Genscher: That is true for certain areas of foreign policy. When you realize that even the fundamental question of whether or not the Federal chancellor ought to travel to Moscow is causing total confusion in the CDU, with completely opposite declarations being made, then it is difficult to see a common position here.

SPIEGEL: Your own remarks on this subject are felt to be not particularly clear either. Recently, you said in an interview that "at this point in time" there is "no prospect of achieving appreciable successes."

Genscher: To say that is also quite important. Whoever wants to see this trip take place must not burden it down with heightened expectations, which either make this trip impossible or make it look like a failure in retrospect. You will have gathered from the statements of the Federal chancellor that he thinks just the same as I do. It must be clearly perceived how valuable it already is that we are speaking with one another, that we are keeping channels open even in difficult times.

SPIEGEL: At the same time, one can also read into this statement a skepticism about whether it is at all appropriate to travel "at this time."

Genscher: I have never left any doubt about the necessity of this talk.

SPIEGEL: In the same interview, you rail at the "price-cutters" who are possibly debasing the prices to be paid. Many people have gotten the impression: He means not only certain Social Democrats who are called the "Moscow fraction" by the CDU...

Genscher: ...the concept of a "Moscow fraction" is a defamation...

SPIEGEL: ...but he also means perhaps a man such as Helmut Schmidt, who for example has in fact made new proposals on the subject of armament control.

Genscher: Schmidt has said nothing different from what we both had already declared repeatedly at the end of 1979: That the negotiations can be facilitated if the Soviet Union discontinues production and stationing of its intermediate-range missiles.

SPIEGEL: Whom do you mean then by the "price-cutters?"

Genscher: If you just take a look around Europe, you will see that there have been many people, after all, who have given the impression that the NATO resolution would not be passed in December. And that may

have led to the fact that on 6 October, Brezhnev did not make more far-reaching statements in his speech in East Berlin, because it was thought: The double resolution about rearmament and disarmament will just not materialize.

There must not be the slightest vagueness about our intentions. And it is for this reason also that the Moscow trip is so important--to eliminate any obscurities about our aims.

SPIEGEL: Do you consider it entirely mistaken to assert: The FDP chairman is trying to show the independence and uniqueness of his party through certain slants in foreign policy?

Genscher: That is mistaken. I do not consider anything more dangerous than for foreign-policy decisions to be made from domestic-policy motives or considerations--whether in one direction or in another.

SPIEGEL: Mr Genscher, many people have this impression about you, though.

Genscher: I cannot help them.

SPIEGEL: Does it not make you wary in fact that a man such as Biedenkopf has gone about in the election campaign proclaiming that Genscher's foreign policy is really the foreign policy of the Union?

Genscher: That was an attempt to hold on, because Biedenkopf has perceived that with certain foreign-policy ideas of the CDU, the election cannot be won.

SPIEGEL: But other CDU political figures as well have tried to ingratiate themselves with your party--for example, Kiep, and even Strauss himself. Must you not--for the sake of the clarity of your position--rebuff more unambiguously such advances?

Genscher: Even the Federal chancellor must live with the fact that the opposition says this and that is correct. Moreover, I would not speak of "ingratiation."

SPIEGEL: But the chancellor is not struggling along with his party at the five-percent hurdle. For you it seems important to find a clear line.

Genscher: Our line is very clear. It is not an argument against the attractiveness of a foreign policy when the opposition endeavors to look like it is supporting such a policy.

SPIEGEL: Nevertheless, even your critics in the FDP think that you are looking in the wrong direction when you seek to steal voters away from the Christian Democrats.

Genscher: It is very difficult to analyze accurately the voter currents following the NRW election. It is certain that in 1980 the FDP had a greater voter turnout than in 1970, but that it has not been able to mobilize its potential.

SPIEGEL: There are three ways open to the FDP to win the crossover voters who are necessary for its survival: Either from the camp of the Union, or from that of the Social Liberals, or from both. Following the disaster of NRW, has the decision become easier?

Genscher: One should not reject any voter, regardless of how he voted last. The result of North Rhine-Westphalia shows that the portion of the voting population which does not want the CDU with Strauss as its leading candidate has grown larger. But the FDP has not succeeded in increasing its share from this reservoir. It must now endeavor to have a very clear position on the coalition question and on practical questions, so as to attract a greater share from this potential.

SPIEGEL: The question is: how? Will the FDP attract attention to itself above all through quarrels with its coalition partner?

Genscher: There will be such areas of dispute, but quarrels must never be staged for the sake of quarreling. That is to say, the impression must never be lost that we want to form a constructive policy in concert with our partner. Nevertheless, areas remain in which it is clear that in the course of compromising in the coalition, this or that party has had to make its concessions.

SPIEGEL: Where then do you see such fields of conflict within the coalition?

Genscher: Not fields of conflict. But it is manifest that on certain questions, such as environmental protection, the FDP is taking a more far-reaching position, or again such as in the area of the protection of data privacy.

SPIEGEL: Your critics have the impression that you have not spoken out decisively enough on the very liberal theme of the constitutional state.

Genscher: They cannot say that. Just take the speech which I gave on 6 January in setting the tone for the election-campaign year in Stuttgart. And in recent months, I have not spoken out very frequently on any subject outside my ministry. Included among those areas on which the FDP places a particular emphasis is quite certainly also Third-World policy.

SPIEGEL: The SPD is also committing itself in this area.



Genscher: In a different way. It quite certainly cannot be denied that I have developed a plan for our relationship to the nonaligned movement, for the hotbeds of conflict in this world--Namibia, Zimbabwe.

SPIEGEL: Many people think that the foreign minister is fundamentally pursuing there also a policy on containment of Soviet influence above all.

Genscher: If anyone is against a policy of maintaining peace only because the Soviet Union is thereby contained, then we are worlds apart.

SPIEGEL: According to the program of your general secretary, the FDP also sees itself as a party of minorities. Is this to remain so, or will the critics from the Bavarian FDP, for example, have their way, who think that the Liberals should not be a party for dope addicts and homosexuals?

Genscher: The question is not whether it is a party for this or that group--rather, it will not want to ignore these groups either if it is in earnest about the problems of the minorities. There is always a component of voters for whom it is important to know of a definite program which also stands up for minorities. Nothing is being dropped in this area.

SPIEGEL: Must not you set quite different objectives in a fight for your existence at the edge of the five-percent hurdle, to prevent an absolute SPD majority, for example?

Genscher: Certainly we have always declared ourselves opposed to absolute majorities, regardless of whom they come from. And clearly we can do that without thereby offending against the spirit of our cooperation, if at the same time it is completely clear that we intend to continue the coalition.

SPIEGEL: You perhaps are hoping also to thus appeal to the wishes of many Social Democrats, especially the chancellor, who would rather govern with you than with his left wing?

Genscher: As far as the Federal chancellor is concerned, you are the people who said that, not I. There is a large number of voters in this country who want the SPD and FDP to govern together, but who do not want the SPD to govern alone. They will certainly support the FDP in this Bundestag election.

SPIEGEL: Mr Genscher, you will be courting the second votes then, as you did in 1972?

Genscher: There have always been voters who have expressed their wish for the continuation of the coalition by giving their first vote to the SPD and their second vote to us. We will not reject such people.



And following the shock of 11 May, the existence of the FDP and thereby of the three-party system is certainly being put to the vote as well in the Bundestag election.

SPIEGEL: Are you counting on a sympathy effect?

Genscher: Not on a sympathy effect, but on an awareness of the problem. There are many voters who would have behaved differently if they had known how the election in NRW was to turn out.

SPIEGEL: Then from now on you want to again emphasize more the social-liberal element, as in the times of Brandt and Scheel, more than your independence.

Genscher: If I had to disavow our independence, I would step down as the party chairman. It stands to reason to tell the voters how the FDP will behave after the election. And therefore the coalition's common interests must be emphasized, and also what has been achieved in common.

SPIEGEL: The FDP has already tried many ways, one after the other, to make itself felt in the coalition: As brakeman, corrector, filibusterer, or driver. With which role are you going into the Bundestag election campaign this time?

Genscher: We would misunderstand our role if we present ourselves as a filibuster party. We view ourselves as a creative party, which puts through its ideas in the coalition with the SPD, in foreign policy, in the constitutional sector, where cooperation with the Social Democrats--despite the differences about which we have spoken--is easier than with the CDU. Even in the major area of the economy and monetary policy there is extensive agreement. We will also be placing special emphases on policy in the economic-structure area which aims at benefiting the intermediate and smaller enterprises.

SPIEGEL: With the Union, there would also be no problems on economic policy...

Genscher: All that is no reason to change. The only problem of the present coalition has been that first it has had to learn to present also its own achievements adequately. This is something which I have always marveled at with the CDU: Today it is still speaking about things which it did in 1950, whereas the social-liberal coalition really always speaks about what it has not yet done.

SPIEGEL: One important common interest you have with the SPD is perhaps the hope that you are left with Strauss as the chancellor candidate for 5 October?

Genscher: Yes. We have more or less gotten used to him.

SPIEGEL: Mr Minister, we thank you for this talk.

## REASONS FOR RESISTING U.S. PRESSURE FOR ALLIANCE SOLIDARITY

Paris LE MONDE in French 24 Apr 80 p 8

[Article by Philippe de Saint Robert: "The American Comedy--Continued"]

[Text] In certain press and publicity circles great importance is attached to a line of resistance setting the Giscard government against the unending and capricious demands which the Americans keep addressing to their dear allies. However, among the most fervent crusaders for atlantism a kind of uneasiness is spreading. Somebody sighs that the Atlantic is getting deeper. Another says that Carter is "on the side of the right" and that Europeans do not want to admit it as if their moral fiber were weak. In short if it is deplorable that we are hustled, it would be even more so if we had let ourselves be hustled because we did not anticipate the desires of a mistress suddenly crazy about us, that is more interested in our body than in our soul.

In fact our policy of diplomatic resistance is almost that of the Maginot Line: sooner or later the forces which were to be contained on the other side of the line confront us and nobody knows how they got through. Thus in the matter of the Moscow Olympic Games our supposed refusal to allow ourselves to be influenced by American policies resulted in the end in a pure and simple alignment by skirting the line. Our position is clear: we shall not permit to be impressed, we shall go if others go. Our panache is everywhere recognized by its dull colors.

Therefore let us follow President Carter, but let us hope that he will recognize in our manner of acting our scorn which is not trifling. In the Iranian affair we shall be led to the same procedure and by the same tactics, for what they are worth. For the Americans whose aim is not to get the Russians to withdraw but to insure their hegemony in what they call their territory, this is the result which counts. Thus President Carter in publicly treating his European allies as flunkys once more dropped his mask and it is a big mistake to believe he is clumsy. One can act the idiot without being one. The "relative impotence of power" had already been discovered, a decade ago, by Dr Kissinger. The point was to know how to use it for maintaining the structure of each hegemony within a

universal de facto condominium (a de jure condominium in the mind of the practitioners). Therefore it is to their allies that the Americans address their ultimatums scoffed at by the Russians and Iranians at whom they are undoubtedly not aimed in fact.

The Americans--must we underline it--are no more in the right than the Russians or the Iranians. Is it in the name of what they did in Vietnam or of their complicity with Israeli aggression that Americans can protest the Afghanistan invasion? Is it because of the guiltlessness of their diplomatic missions that they can wax indignant over the breaking of international rules by revolutionary Iran? "Everything that is happening in this world, said Marcus-Aurelius, hangs together and is bound to that which preceded it."

Enough of moral preachings then and we shall see which political responses can be made to conflicts whose causes will have to be treated together with their results. Enough of solidarity talk where, 'if we ever had accepted the principle, it would follow that we would admit the responsibility in matters we most often disapproved of and on which we were never consulted. For when the Americans invoke the alliance and solidarity, one knows only too well that they consider both as unilateral and as not binding for themselves. It is better not to mention here the military protection they pretend to bring to Europe which in their eyes justifies all their political exactions since it would be more fitting to ask if these exactions in the end do not endanger European security more than their leaky, banged-up umbrella protects it.

I do not doubt for a moment that there is true uneasiness in Paris in high places where power--nebulous up to now--is exercised. But how does one get out of the fog? Giscard's policy has been stamped for the last 6 years with the substitution of the concept of autonomy for independence, a substitution surreptitiously engineered by the present head of State in the course of the presidential campaign of May 1974. It became apparent that this autonomy was to be understood, not only in the context of an Atlantic alliance, regaining sufficient charm to encourage the Americans to intervene in Africa, but also in the context of a European community whose impotence crushes us everyday more, paralyses us. In short, as, in the end, it is a matter of never doing anything without the Germans who don't do anything without the Americans, the tail end of our liberty is quickly reached.

Because it is a matter of liberty. France does not give the feeling of being free any more. That is, France could be free but it chooses not to be, because its leaders continue to believe in a European policy which is a fallacy. They feel today this imperative need to be free but they accumulated too many mistakes to dare. What they lack to be free is evidently this conviction of the natural greatness of France which they reviled so much when they did not comprehend it, the feeling of a self-fulfilling prophesy.

But to understand this feeling of greatness, to understand that it means freedom, one must know that, if greatness certainly is an ambition, it is before everything else a yardstick of things, that is the opposite of what idiots imagine. In a speech given at Vincennes on 22 May 1949, General de Gaulle said: "Ah! We know too well that France, such as it is, in a world such as it is, cannot think of repeating its century of Louis XIV. This does not mean, as certain minds and certain feeble hearts would insinuate that one should cease to glory in the greatness of the fatherland. One can be great even without great means. But one must be able to be abreast with history or one is doomed. We do not pretend that our generation should recreate the 'Great Century' but we demand that France lives and keeps all its potentials for the future."

This is the only policy that we can today set against the American comedy and propose to Europe. But for this policy which is above all a state of mind one needs a breath of inspiration tragically lacking in our aspiring princes. They can mock, ridicule Carter. They are no better than he and it is he who gets the better of them with his fool-playing mien and his tantrums of spoilt kid. Europe is not going to liberate Afghanistan, nor the American hostages in Tehran, but the United States exploits these two defeats shrewdly to further diminish Europe, to complete its political and economic colonization which is evidently far more profitable to them.

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## UDF DEPUTY ON NEW RIGHT'S CONCERN WITH CULTURAL

Paris LE MONDE in French 25 Mar 80 p 2

[Article by Paul Granet, UDF Deputy:\* "The UDF and the New Right."]

[Text] The advocates of the new right maintain, cleverly, that their concern is cultural. But their analyses and objectives obviously have a political significance. Thus, it is legitimate that, when political leaders are questioned on the meaning of their involvement, they answer plainly.

And this is especially true of the "president's men," since people are trying to embarrass them on both sides at once: on the left, by identifying the new right with Giscardism, and within the ranks of the new right, by reducing Giscardism to the spirit of abandonment.

1) Joseph de Maistre, frequently cited by Alain de Benoist, was wrong. Man exists. In Rome, in Moscow, in Paris, throughout the centuries, it has always been the same thing. Because he is aware of life and of himself and knows he is going to die, man is of his essence different from other species. His appurtenances and cultures create and give expression to difference. But these are individual aspects of the universal.

2) I attach the highest price to the individuality of the human person, to this ultimately inscrutable world of desires, passions, contradictions, deficiencies, strength and weakness. But I do not want a "priority of subjectivity" to be imposed on me. Contrary to Alain de Benoist, I believe in the necessary domination of character over intelligence, awareness over sensitivity, concept over image. As a member of parliament, I amend laws and vote on them; as a private citizen, I obey them.

3) I believe in choices and in ethical attitudes. I do not think, therefore, that style is enough to establish something's worth. Carried to the extreme, Amin Dada or Bokassa, Goebbels or Stalin, had style. So then what?

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\*Deputy (UDF) of the "Dawn," former minister, vice president-delegate of the New Social Contract.



Highly ethical attitudes can lead to political disasters, but cynical behavior is more certain to cause them. And they corrupt the meaning of the struggle.

When, two pages later,\* I read that we deserve everything that happens to us, individually or collectively, and that troops do not need to know what they are fighting for, I think of the Czechs, who were invaded twice--by Hitler and Brezhnev--and thus twice condemned.

4) The culture-nature controversy (nature if what we were, culture is what we have become) is the enticement of a political argument that can be allowed (it is just a problem of definition) on condition that one does not end up with a collection of political doctrine, which Alain de Benoist does when he states that ecology is anticultural and antihuman.

In politics, nature is opposed not to the cultural, but to the artificial, a notion which is not at all ambiguous, because it very clearly goes after urbanization or, to a greater extent, a remodeling of the scenery. Thus, ecology is neither anticulture (return to nature can be a return to culture) nor antihuman (on the contrary, it rescues the "depersonalized" man in the city dweller).

5) It is improper to say that the quest for equality ends in totalitarianism, or even that totalitarian societies are caste societies in which privileges are reborn.

A policy of equality consists neither in diminishing the diversity of the world nor in satisfying an effortless "aspiration toward sameness." It has as its object reforming society so that the needs of every human being will have an equal likelihood of being fulfilled, especially by erasing or reducing different annual incomes (due to birth, geographic situation and early development, etc.). If we want men to express their "difference," they need a certain economic and social equality. Unless you consider misery, forced labor, or illiteracy "differences" to be cultivated.

6) The "differences" cannot be arranged in hierarchies. I will be willing to admit a resistance to reductionism; I understand that man cannot be divorced from his culture and that, as a result, we are all "different."

I will hardly even consider that to be insignificant.

But in the word hierarchy, we have "arkhia," which means command. And I maintain that "command"--meaning the power in society which one man has over another--has its foundation or its justification in our "differences."

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\*Alain de Benoist, "Ideas Right Side Out," Hallier free edition.



There is universal suffrage, the organization of nations--and the right--to create public hierarchies. And there is only that. Decolonialization has this meaning: that "differences" cannot justify one group of people having authority over another. Much less one creature over another.

#### Necessary Counterpowers

7) I believe in the need and the usefulness of counterpowers. Every existing order tends toward intransigence and intolerance. The only means of avoiding these excesses is in the opposition and independence with which the citizen confronts the power. A society which loses its capacity to criticize is condemned to death or to madness. The state is not, as they say, a necessary evil, but it is a dangerous good. The precaution against power excesses on the part of the state machine is not power, but the right to create counterpowers.

8) Pluralism is not suicide. Let us say first of all that Gramsci, that fascinating example of the new right, is not the triumphant prophet that one would make him. On the other hand, the cultural power of the "intellectuals of the left" is under such attack that doctrinaires of the Socialist Party and the Communist Party are despondent and openly anxious. On the other hand, this cultural power cannot be understood, or else a lot less than one would think, as an investment of social and political power. Hasn't Marxist ideology itself been worn down and reduced to a poor facsimile because of the influence exercised by some who gloried in it? On the other hand, the majority was able to take from its liberalism, in which some people saw a sort of masochism, the moral resources needed to perpetuate it.

In any event, inverse reasoning would be clear enough. If pluralism runs the risk of producing majority changes, must it be rejected because of that? And then must we clearly preach a dictatorial or totalitarian system?

9) The totality of peoples is a dangerous notion. I admit, of course, that everyone has the right to preserve his own ethnic background, but done in the framework of international order and morals--in which case the need for universalism is evident. People will only be saved if they are aware of the concerns of an international law; if they realize that there are human realities and needs at the world level (and, therefore, if they can emerge from their projects, from their subjectivity); and, finally, if they have a perception of history.

10) I would like to have a debate on the finality of the state, and I would like us to remember that man's economic dimension must not be placed above his other ones.

But what is the object of political activity: the totality of ethnic backgrounds? the sovereignty of the people "as people"? the creation of norms for consolidating the social structure? What dangerous notions these are for people who are devoting many pages to explaining that there is no reality outside of the real--who have never dined with nobility?

Getting back to man, it is true that he does not have to be reduced to a producer/consumer. It is true that he needs to be renaturalized, given new roots. But it is also true that he needs fellowship, liberty and solidarity.

There are a lot of us who refuse to choose between old Marxism and this "new" right with its ancient roots. There are a lot of people who prefer the language of French democracy and its unconditional defense of liberties and the rights of man, and the defense of the human person as a universal and sacred reality, to the flamboyant speeches of GRECE [European Research and Study Group] or the intolerable wooden tongue of the Marxist-Leninists. Sincere, Gaullist, liberal and libertarian socialists can agree on this two-fold refusal "to imprison the human person in his past or to conform him to the future, which is the worst past because it has not even taken place."\* The large "majority of ideas" in France exists there first of all.

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\*Alain Ravennes, "Manifesto of the Intellectual Committee for the Europe of Freedoms" (CIEL).

## UDF POLITICAL STRENGTH, VOTER APPEAL, ISSUE POSITION PROPOSALS

Paris LE MONDE in French 25 Mar 80 p 2

[Article by Adrien Zeller, UDF Deputy: "Mission Impossible"]

[Text] To predict the future; to imagine and propose, in terms of ideological references, solutions to current and future problems, to rally the forces and the means to be successful--these three complementary functions represent the mission of politics.

The French Democratic Union (UDF) is holding a congress for the second time in its brief history. For some, it is especially the "High Mass" which allows it to build up its resources and revive its political family; for others, it is perhaps one that concerns every student of economics in a more active awareness of this three-fold requirement of political activity.

Added to the economic crisis, which many French people are experiencing more and more sharply, is the uneasiness felt toward the skill and trip-ups of politicking politics, which is demanded by a pre-election period. A certain gap is appearing between day-to-day politics and the country's expectations. The French are experiencing a confused, but nonetheless very deep, feeling which persuades them that the future will be even more difficult and that the main thing is to try to face it.

In such a context, what can the UDF offer?

Today, it does not lack opportunities. It is an organization which, even if it includes many middle management personnel and famous "old guard," has the advantage of an image and new structures. Although risking the wear and tear accruing to the exercise of power, it preserves a real potential to attract. Is this because it has "deceived" opinion less, because it has promised less, or because it has forgotten less than others the harsh constraints of reality? On the other hand, the basically "liberal" ideology of the head of state, in fact, permits the exercise of policies of the "right" as well as left-center. It maintains a certain ideological flexibility which, in a period of new accusation, is not just inconvenient. Finally, the UDF is in a special position--it is the only organization

actually to support the president of the Republic at work which, especially in difficult times, is a responsible act. It can benefit from that particularly if, by going beyond the short-term and simple electoral deadlines, it knows enough to come across as a bona fide movement of the future.

But this condition is not fulfilled simply by claiming modernism.

In exercising power, it is specifically up to the UDF to try to integrate deeply into the economic fabric, into the functioning of the state, into the social structures, into the system of values, the new data brought to light by the crisis (shortages of energy and, in the future, of raw materials; the impasse of policies, which are increasing in number; and the "flight into the future"). That is, it is up to the UDF systematically to write down future needs into present policies.

At the outset, this implies--why not say it?--a definition of the state's role. We must avoid ambiguity.

Because the problem is not, in and of itself, to reduce the state's multiple role but to redefine it; to specify the means for a new interventionism is one activity which the UDF can accomplish effectively.

Also at issue, something which the French--those being ruled--feel very strongly about, is finding a just middle ground between two dangerous types of despotism: that of the local groups, who, if they have all the power, act like real fiefs; and that represented by the present behavior of a neutral but cold administration, which is often too far-removed from its citizens.

But with regard to political actions, strictly speaking, it would be necessary to abandon the method of subtly calculated modifications and to undertake reforms that would touch all of society. Here we would like to mention four basic orientations chosen among others.

#### General Reforms

1) Inflation. In the face of inflation, a reinforced strategy is essential. We must attack at once both the structural causes and rigidities of every kind, especially that seen in the famous Rueff-Armand report which, alas, still prevails today, to develop incentives for consumers' groups throughout the country: the equivalent of a single percent of the amount yearly earmarked for publicity would multiply them 20, 30 or 50 times. But this struggle with the causes does not mean that inflation's harmful effects themselves must not be dealt with also. Wouldn't the UDF have suggested that, based on certain criteria of wealth and revenue, a part of one's savings account, the part which concerns the security to which everyone has a right, would be indexed according to cost of living increases, e.g., an amount limited to 20,000 francs per fiscal period?

2) Unemployment. In this area, various significant efforts have been made, no matter what some people say. But don't we still have the main thing left to do, of concern to economists, i.e., to change the relative costs of capital and of work, those for capital being artificially reduced through various means and those for work artificially inflated. We especially need to do away with a basic anomaly: to make most of the inactive ones pay the social charges just for salary costs, thus artificially raising the latter, while on all revenues they would have to be taken off. In this distorted context, neither new indispensable jobs nor a "new economy" could be born, and no type of aid to employment would have any obvious effect. Fiscal incentives aimed at hiring, like those practiced in the United States, can be the basis for a policy of directing economists' behavior along the lines of employment, which corresponds to the new logic dictated by the henceforth permanent nature of underemployment.

3) Energy. Let's be frank, in the area of energy economics and new forms of energy, "another" policy must be initiated very soon. The system of fiscal incentives now in force applies to the wealthy more than others. It puts up with limitations in credits and financial means, and bureaucratic bungling; it is not aware, among other things, of the possibility of reduced action by the local and regional collectives; and it brushes aside vast possibilities. The energy battle cannot just be some people's battle; the UDF must make it everyone's battle--it could even preach, for the French economy, a real "ecologic boost," the only sensible boost today, based on investments and activity of all kinds corresponding to the economics of energy and raw materials and to the development of alternative sources of energy.

4) Decentralization. In a time of rapid changes, the need for a genuine policy of decentralization of public powers is becoming all the more evident. We must stop reciting all kinds of pretexts for maintaining a real omnipotence of Paris, which is feeling very comfortable while its 95 departments are in disarray. Finally, the region will have to be given the means to attain its true vocation, which is the initiation of great territorial activities to prepare for the future.

If the UDF were able to assume such attitudes and protect these kinds of options, it would not have to worry about whether it is at the left, right or center in the quadrille of parties, but only about being the political force which holds the future of France and of the French people in its hands.

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## PRIME MINISTER DISCUSSES VARIOUS ISSUES

Athens TA NEA in Greek 13 May 80 p 3

[Text] One of the main points of yesterday's first meeting of Premier Rallis with journalists (which was carried in its entirety on television) was the "Averof issue." In answer to relevant questions, he said:

"I myself had proposed to him that he should remain at the Ministry of National Defense and assume as well the deputy premiership. He had accepted at first, but afterwards he said that he wanted to remain only at the Ministry of National Defense. As for the barrier, it does not exist. For 5 1/2 years, Averof has been minister of national defense. All issues used to be discussed in the Government Committee, which I myself belonged to, and for 5 1/2 years there were no barriers."

And he added, eulogizing his rival of yesterday: "Do not forget that the transition from the dictatorship to democratic legitimacy is due to Averof and to the late Solonas Gikas, who was denounced to the utmost. I doubt that if Mr Karamanlis had been without the services of either the deceased Solonas Gikas or Mr Averof, he would have been able to restore democracy in the same smooth way that he did. There is no disagreement between Averof and me. He had the noble ambition to lead the New Democracy Party. I myself had the same ambition. The majority of the party gave its verdict. Mr Averof abided by it. As I myself would have complied if the result had been the reverse."

Furthermore, he asserted that during the formation of the government (which took place on his own responsibility), "there was no accommodation. There were disagreements, but no pressure was applied, no coercion, such as is implied by the notion of an accommodation, I fear. An understanding was reached, which is a necessary condition for the functioning of parliamentary democracy."

And he concluded:

"I believe that I have achieved a blending of older experienced officers with new officers, who I hope will be able to perform well. It is not



possible to change ministers very easily. Of course, it would, perhaps, be useful to the party if we were able to change the entire cabinet from a to z each time. But this is ruled out for reasons of the proper functioning of the governmental machinery. I believe that the public has not been unhappy over the cabinet....I want you to judge the ministers by their performance."

Finally, to the question "how much more to the Right or Left is the new government?" he replied: "It is neither more to the Left or more to the Right....Our ideology is that of radical liberalism, and that of the democrat, of course. Because without democracy, radical liberalism does not make sense. We are faithful to this all along the line. There is not going to be any leaning to the Left or Right. By the stand I have taken for so many years in public life, I have demonstrated that I cannot be suspected of leaning to either the Right or the Left. I fought against the dictatorship as few others did. Punishments were imposed on me for these polemics of mine. I accepted them uncomplainingly. And I continued to remain and to struggle in this country. I am against the Marxist systems, and I am an anticommunist. I believe that in 1980 communism is not dealt with by the same methods which were used to confront it in 1950. Why? Because 1950 was just 1 year after the war against communism had ended. By 1980, 31 years have passed. Is it ever possible for the same methods to apply? But I believe, and I believe this with a great faith, that we who are loyal to the parliamentary system are obligated to struggle both against Marxism and against fascism. Above and beyond all this, every citizen can vote for the New Democracy Party if he wishes without having any qualms that he is ignoring his ideological creed. Of course, we are not the only democratic party. There are others as well. But in any case, if the democratic citizen votes for the New Democracy, it does not mean that he is betraying his articles of faith."

#### The Odd-even Plan

Mr Rallis had announced beforehand already that he will make a tour in the provinces, but later he explained that the odd-even system is not going to be abolished--if anything of that sort happened, "everybody would be cursing us."

And he elaborated characteristically: "Everyone ought to understand that the price of petroleum has tripled or quadrupled. We ourselves cannot be an exception to the rest of the world. There are difficulties, and we must limit our desires. And I myself would like to not have to get up at 5 o'clock in the morning. I do not enjoy competing with the roosters. But I get up because I am obligated to work. Therefore I also ask the other citizens to accept similar obligations uncomplainingly."

In answer to other questions, the new premier said:

On briefing the parliamentary opposition: If there is a need, it will be done. In any case, up to now "there have been briefings....But this does not mean that the government will share the responsibility for pursuing foreign policy with others. This responsibility belongs exclusively and solely to the government....There are no barriers between the government and the parliamentary opposition, just as there were none hitherto!"

On financing election expenses from the State budget: "I myself have not thought about it, because I have had more pressing business. But 3 years ago we had examined this question--at that time I was minister to the premier in the Karamanlis government--and in principle we had been in agreement with this. But the subsidizing of the parties by the budget means also an assuming on their part of a certain obligation to relinquish other resources, which make the election battle inequitable. We will subsidize the parties in order to accommodate their needs and to inform the public, but we cannot give the parties free rein to spend whatever they want. Consequently, there will have to be a measure of control, as exists everywhere."

On the more fair treatment of the parliamentary opposition by the government news media: "Television is an extremely difficult matter. There are complaints even in countries such as Great Britain, for example. Mr Tsaldaris is trying to satisfy everybody. It is difficult. I will see about helping him myself."

On when he will appear in the Chamber of Deputies: "I will try to go to the Chamber of Deputies 1 day out of the 2 days which are set aside for the interpellations. (Editor's note: That is, once a week). I will try. But my good intentions are not enough. My work will have to ease up somewhat as well. As you know, I am not one of those who do little work. I have broken many records. And today I was at the Ministry of Foreign Affairs as of 7 o'clock in the morning, to put things in order for the day."

On whether he will have contacts with the productive classes in matters which the government is going to make decisions on: "Contact and dialogue do not mean subordination of the government's policy to the desires of these classes. We will have discussions. We will listen to their opinions. And they will listen to our own view. And finally there will be the results of this discussion. And the government will have the responsibility for these results."

Finally, he said that he is initiating a practice different from that of Mr Karamanlis on the matter of journalists: Once a month, he will have a meeting with political reporters which will be carried on television.

## Council of Ministers

Prior to the press conference, the first session of the Council of Ministers was held, at which--as was announced--the premier:

Gave his attention in particular to the matter of the administration, and he stressed the need to activate it. "The cabinet"--he said--"is not only the brain, but also the heart of the administration. And when the heart is not functioning well, the administration cannot function well."

He referred to the need for the presence of the ministers and deputy ministers at the sessions of the Chamber of Deputies, so as to keep informed about the debates. Also, he said that they should pay attention to the press and respond to it.

He asked the ministers in charge of the various sectors to prepare and submit to him relevant memoranda so that the government will be ready for the statements on its programs which are to be made Thursday after next.

The leader of EDIK [Democratic Center Union], I. Zigdis, commented on the press conference of G. Rallis as follows:

"Those who heard the premier inevitably were reminded of the biblical saying: 'The hands are those of Isau, but the voice is that of Jacob.'

"Once more, Mr Karamanlis was speaking through Rallis!"

The president of KODISO [Party of Democratic Socialism], I. Pasmazoglou, after pointing out that Rallis was introducing "a new and noteworthy practice of contact with journalists, by its transmission on radio and television," and adding that "it would be reasonable to expect that there will be a corresponding opportunity to communicate with the people also for the other parties," went on to stress with respect to the issue of proportional representation:

"It seems that the new leader of the New Democracy Party wants that electoral system which, by falsifying to the people the make-up of forces, produces one-party governments. But systems of precisely this sort lead in certain periods to the opposite situation--that is, to anarchy and disorganization, and in any case to polarization, crisis conditions, and the elimination of every benign political climate."

The KKE-Interior believes that the rejection by Rallis of proportional representation was done "obviously for reasons of preserving the party cohesion of the New Democracy, which was proving to be fragile." And it added:

"The simple proportional representation system is not contrary to the interests of any party, because each of these parties will come to the fore with as much strength as the people will give it. The only opponents such a system can have are those parties which want to exaggerate their own strength by stealing votes which do not belong to them, and it is clear that the people will then have yet another reason to condemn these parties."

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## ND PARTY ELECTION RESULTS ANALYZED

Athens I KATHIMERINI in Greek 18-19 May 80 p 4

[Article by Nikos Simos]

[Text] The results of the balloting for the election of the new premier and president of the New Democracy Party (ND) were accompanied by certain isolated negative reactions within the party, which of course only the exaggerated viewpoint of the parliamentary opposition could interpret as the seeds of a party rupture. But they did cause understandable perplexities as soon as it was found that these reactions came not from the broad rank and file of the party, but primarily from party officers. So that it was thereby revealed that persons who have the responsibility for the smooth functioning of the party machinery have exhibited in practice a discrepancy between their previous positions and their actual desires. Because their professed dedication to democratic procedures has been called into question by the way in which they received the outcome of the inner-party election. Moreover, it was also revealed that these people, certain of whom are in key positions in the leadership of the party machinery, have shown very little awareness of the broader and more long-range significance of party unity, especially at a time when the opponents of the ND are on the lookout to draw profit, not so much from mistakes in governmental tactics, but rather from cracks in the party structure which might develop from within.

Regardless of the legal nature of the choosing in favor of G. Rallis or E. Averof, the escalation of this choosing to such an extent that the one or the other candidate is considered an adversary, constitutes a state of affairs which displays a tragic contradiction. Because it shows that these officers who reacted--in the manner that they reacted--to the election of G. Rallis are rejecting the process of the gradual transformation of the ND into a party of principles, whereas they have been applauding corresponding proclamations made at the Khalkidiki congress and the other local ND congresses following this, and thus they have remained firmly rooted to the political notion which accepts the person of a common leader as the cohesive bond for the members of a party. And not the community of political ideas and aims and the united struggle to broaden the party and disseminate its ideological principles.



This attitude of a portion of the ND party officers, and above all of those who occupy positions of leadership in the party machinery, is explained by their common political lineage, which binds them to a belief in outdated conservative ideas. They come from the old ERE (National Radical Union). And from experiences of that period, they surely have retained a certain element of fanaticism, which by the way is inherent in the dynamism which is shown by the factionalized officers, as compared to the ordinary adherents of the party.

The mobilization of the friends of Mr Averof, for the purpose in fact of creating a suitable climate which would influence also the deliberations of the ND deputies, would not have had anything reproachable about it if it had not ended in the following discovery: That the machinery of the party was mobilized to such a degree that it could be characterized with justice as being for many days not a party mechanism but an election-campaign mechanism on behalf of one of the candidates.

This created an understandable counter-rallying of officers on behalf of the other candidate, a counter-rally which did not come to an end with the outcome of the balloting. But one which justifiably widened, creating in fact a response even among the rank and file, from the moment when the pique of the Averof officers of the ND grew into a feeling of "spite." Thus, a party reception which had been planned in case Mr Averof might be elected premier was called off following the election of G. Rallis. And surely this fact would not have had special significance if the event had not had the coverage of "Rigillis Street." This activity showed in principle very little objective understanding concerning the broader interests of the party. And it confirmed a long-standing finding that certain officers of the party serve personages first of all and the party only secondly. In consequence, the extent of their contribution in the future might be called into question, especially since their pique has probably developed into a factor tending to weaken the ND party machinery.

In light of this, certain changes in posts which are important for the activation of the party should not seem strange, when in fact one of the intentions of the new leader of the ND is for the weight of the ideological struggle and the dissemination of its principles to devolve upon the party officers. It is certain that Mr Rallis would not want to create the impression of distinctions being made on the basis of to whom those picked are friendly. And in the last analysis such a thing would be proof of a fragile party unity. But on the other hand, how would it have been possible--no matter who was the new leader of the ND--to deal with members of the party who show a disinclination to accept the new state of affairs for the sake of more general party interests? And how would it have been possible to deal differently with those who, by misunderstanding or even circumventing the by-laws of the party, were responsible for actuating its machinery for election-campaign purposes on behalf of one of the candidates? And they failed



to take an interest in creating and safeguarding that more lofty democratic climate within which not the new leader but rather this development itself would be honored. A development which causes the ND to be the first party in Greek political chronicles to elect a leader though the expression of the free will of the officers who have been chosen by the people. A development which surely Europeanizes our political affairs and is a model also for other parties. Perhaps the uniting of the party and also its more vigorous mobilization can inspire these changes, which in a broad sense will amount to an effort to try out other persons as well in important posts, for the sake of the renovation of the party machinery.

#### The Youth of the ND

But also officers of the ND youth group, by certain activities which certainly do not give expression to the views of the broader rank and file of the party's youth, have seemed to fail to comprehend the more general significance of the change in the governing party. That is, of the election and not the imposition of a new leader. And this significance is that for the first time, in this party the organs and officers, parliamentary and not, are no longer bound by controls and thus have the opportunity to create the conditions for the establishment of a political organization not only based on the abilities of persons, but also on the principles of that liberal ideology which is believed in by the overwhelming majority of the Greek people. Consequently, regardless of which person, between Mr Rallis and Mr Averof, is believed by one or the other movement to be more fit for the party superintendence, the opposition of isolated officers of the ND youth group--with their ulterior motive being the creation of impressions in favor of Mr Averof--has revealed that these dynamic ND youth as well had failed to realize what officers with greater political experience certainly appeared to not know either: That at last, following the withdrawal from the leadership of the ND of a charismatic leader, the present political personalities are not enough by themselves to preserve the electoral preference for the ND. And that more than at any other time, the people who are characterized as the "silent majority" are demanding a rejuvenated policy which will come from a collective effort and which will thus create the well-grounded impression of the broadest possible popular participation in its formation.

12114

CSO: 4908

## CONDITIONAL PARTICIPATION IN DIALOGUE WITH CATHOLIC CHURCH

Athens TO VIMA in Greek 14 May 80 p 1

[Article by K. V. Sakellariou]

[Text] The delegates of the Church of Greece should not countersign the joint texts during the proceedings on unification between the Orthodox churches and the Roman Catholic Church, and the Church of Greece should not be bound by the decisions of its representatives, but their actions should be agreed to through relevant decisions of the Greek Church.

These binding terms on the participation of the Greek Orthodox Church in the proceedings on the unification of the above churches, which begin on 29 May at Patmos and will be continued at Rhodes from 30 May to 4 June, are stipulated in a unanimous decision made by the competent synodal committee on inter-Orthodox and inter-Christian relations, which is placing significant restrictions on the delegates of the Greek Church and is charting a different line from the other Orthodox churches.

Specifically, at its session on 6 May of this year, the competent committee of the Standing Holy Synod discussed the issue of the participation of the Greek Church in the proceedings at Patmos-Rhodes, and it made the following decisions which the Standing Holy Synod adopted as well.

In cases where there is a disagreement with other delegates, the representatives of the Greek Orthodox Church should be permitted to present their own statement.

The issue of essence, which was raised at the 4th and 5th Pan-Orthodox Conferences as a condition for dialogue between the Orthodox churches and the Roman Catholic Church, has inexcusably been skipped over. Nevertheless, since the time for the commencement of proceedings at Patmos and Rhodes has been cut short, the Church of Greece will take part in these, but it will raise the problem of Eastern Catholicism--that is, of the propaganda which the Roman Catholic Church has practiced in Greece and elsewhere (Patriarchate of Jerusalem, Poland, Russia, and

so forth), along with so-called Orthodox parties who are answerable to and are led by the Vatican and are engaging in proselytizing.

Also, the synodal committee on inter-Orthodox and inter-Christian relations, in the document which it submitted to the Standing Holy Synod containing the terms related here, stresses that the issue of the participation of the Greek Orthodox Church has arisen from the fact that the relevant text which was drawn up at Geneva--and which the then representatives of the Greek Orthodox Church did not sign, since the Standing Holy Synod first had to express its opinion on its content--was altered after the fact by a mixed committee in Rome and was thereby brought into line with the decisions of the Vatican Council.

The Patriarchate of Moscow, in a document which it sent to the Church of Greece (and to other Orthodox churches and the Roman Catholic Church), is protesting for the reason that, as it writes, the "Orthodox Russian churches" of the diaspora (metropolitan sees) and the autonomous Russian church in Japan were not invited to the proceedings of Patmos and Rhodes.

The above "autonomous" churches have proclaimed their autonomy on their own, but they are not recognized as autonomous, because the only church authority competent to do this, the Ecumenical Patriarchate, does not recognize them.

On the other hand, the Roman Catholic Church, for reasons of political expediency and tactics against the Ecumenical Patriarchate, is supporting the demand of the Patriarchate of Moscow for the recognition of the Russian churches of the diaspora.

Given the present conditions, the prospects for the Patmos-Rhodes proceedings do not look very auspicious, and no positive results should be expected immediately.

12114

CSO: 4908

## SOCIOLOGIST ACQUAVIVA'S VIEWS ON TERRORISM

Hamburg DER SPIEGEL in German 26 May 80 pp 133-139

[Interview with sociologist Sabino Acquaviva by Bernhard Mueller-Hulsebusch and Michael Haller of DER SPIEGEL in Padua about the causes and structure of Italian terrorism: "'This Has Happened Here Ever Since the Renaissance.'"]

[Text] The Italian terrorists have enabled their country to achieve a sad record. In no other country in Western Europe are there as many terrorist attempts (more than 5,000 since 1978), and nowhere else are so many commandos engaging in a violent fight against the democratic order. This year alone, 23 people have been killed by Italian terrorists.

Until 1974, primarily neo-Fascist ultras pursued a "strategy of tension" through terrorist attempts; later it was above all leftist extremists who did the bombing and shooting.

While carabinieri and police in past months have been quite successful in their pursuit, with 232 extreme rightists and 638 extreme leftists under arrest pending trial in early May on suspicion of "belonging to groups bent on revolt," violent attempts are continuing undiminished. Last Monday [19 May] a commando of the Red Brigades shot and killed the Christian Democratic politician Pino Amato in the center of Naples, with four of the six assassins being arrested.

No one has examined the causes of terrorism more intensively than the renowned sociologist Sabino Acquaviva, a 50-year-old professor teaching at Padua University, one of the strongholds of the revolutionary movement. In 1979 he published a book about "Guerrillas and the Revolutionary

Movement in Italy." His conclusion: Terrorism is now so deeply rooted in society that "Italians will have to live with it for a long time."

SPIEGEL: Professor Acquaviva, this year more than a hundred persons suspected of terrorist activities have been arrested, and an even greater number of conspiratorial hideouts have been discovered. Several arrested members of the infamous Red Brigades have talked during interrogation--in other words, are helping the police. Is this the beginning of the end of Italian terrorism?

Acquaviva: I don't think so. For one thing, the social roots of terrorism in our country have not been eliminated. For another, the searches of premises, arrests and interrogations are causing many of the persons affected, who are extremists in any case, more than ever to become enemies of the state.

SPIEGEL: A top man of the Red Brigades, Patrizio Peci, in a comprehensive confession revealed to the police numerous names and addresses of alleged terrorists plus cross-connections between underground organizations. Doesn't this show an internal disintegration of guerrilla groups that were pretty well united at one time?

Acquaviva: To be sure, Peci's revelations are causing difficulties for the terrorists. Nevertheless, parallel to this, one has to note a radicalization among part of the supporters which benefits the hard core. Here at Padua University, for instance, there have been searches of homes of professors and students mistakenly believed to belong to the revolutionary group "Autonomy." I have observed these people thereupon changing their attitude and actually moving closer to the "Autonomy."

SPIEGEL: Since the spring of 1979, however, numerous supporters of the "Autonomy" have been arrested in Padua, and the group has virtually dissolved....

Acquaviva: ...and this in fact also caused many of the Autonomists who had become homeless to switch to the violent Red Brigades here in Veneto and thereby to the core of the revolutionary movement, which I call the "Armed Party." Previously, when the comparatively more harmless "Autonomy" was strong, the Red Brigades were of virtually no importance here.

SPIEGEL: But, put in exaggerated terms, this would mean: The more pursuit, the more terrorists.

Acquaviva: The problem confronting the police is to get hold of the hard core all at once, so that the armed groups are not joined by additional fellow travelers in the meantime. But in addition the social and cultural causes of the revolt must be combated.

SPIEGEL: The hard core of Italian terrorism, which you call the "Armed Party," includes the "Red Brigades" and the "Frontline." About how many activists are members of these fighting groups?

Acquaviva: That is difficult to say. In 1978 I estimated them to number about a thousand, and that is probably still the right figure.

SPIEGEL: Despite the many arrests?

Acquaviva: Yes. Old fighters went to prison or dropped out, and young ones took their place. It is like with the Hydra, which kept growing new heads.

SPIEGEL: You distinguish between the "Armed Party" and the much broader "Armed Movement"--in other words, the circle actively supporting the terrorists. How big is this circle?

Acquaviva: In asking this question you are addressing the problem of the supporters. If you mean those who clearly take the side of the guerrillas but do not participate themselves, there are probably a little more than 10,000. If, however, you are thinking of the sociocultural milieu in which it was possible for the guerrillas to develop, the figure is bound to be even greater.

SPIEGEL: The Italian terrorists have received arms from the Palestinians. The theoretician of the "Autonomy" imprisoned since April 1979, your colleague in Padua Prof Toni Negri, had connections with French extremists. Patrizio Peci of the Red Brigades among other things mentioned contacts with the German "RAF" and the "2 June Movement." The term "Euroterrorism" has therefore already cropped up in the Italian press. Is the international intertwinement very extensive?

Acquaviva: Not at the military-organizational level, in my opinion. At best there have been certain connections with the Palestinian commandos, whose fighting methods served as a model for the Red Brigades.

SPIEGEL: But there is evidence of contacts with the German and French underground, isn't there?

Acquaviva: There it is only a question of occasional, rather incidental, contacts, not one of intertwinement. Our terrorism is homemade. The sole danger from abroad, incidentally, might result from a Soviet occupation of Yugoslavia, in which case the Soviets would be tempted to support the Italian guerrillas with arms and men.

SPIEGEL: Terrorist groups in the FRG have recruited their activists preponderantly from among the middle class. Is this also true of the Italian underground?

Acquaviva: Probably not, because the social structure is quite different here. While there does not exist as yet a sociological analysis of the



membership structure, of 100 arrested members of the Red Brigades more than one-third, anyway, were workers, and only one-fifth were students. Something like this is presumably also true of the entire sociocultural milieu of the guerrillas. You see, in fact the revolt has far less of a student character than does its image.

SPIEGEL: Presumably a relatively high percentage of active ultraleftists also comes from fringe groups of society.

Acquaviva: Yes. They include numerous prisoners or former prisoners for example. Bear in mind that at first arrested members of the Brigades were put in prisons spread over the whole country. Consequently they made propaganda everywhere and in fact managed to recruit many of their fellow prisoners. A prison official told me that in a prison where he worked virtually all inmates were supporters of the "Autonomy"--except for one, who told him, "I am too old for such things."

SPIEGEL: We are under the impression that the base of Italian terrorism has begun to shift from the universities and factories to the schools. Adolescents daub the walls of high schools with slogans in which they glorify the Red Brigades and violent revolt. Pupils shout in unison, "Never again without a gun!"

Acquaviva: The high schools, shaken by unrest, have in fact become a kind of glaciis of terrorism. The unruly students lose their inhibitions there and get accustomed to using force, also against people. And after graduation, radicalization continues. In all, this has led to the guerrilla movement becoming younger. But none of this must be allowed to hide the fact that the revolutionary movement continues to be supported by a broad workers base. There are even members of works councils who live a double life as militant revolutionaries.

SPIEGEL: What accounts for the fact that, in contrast with France or Germany, so many workers are among the left ultras, although there exists in Italy after all a powerful communist party with a revolutionary past?

Acquaviva: This has to do with the fact that a revolutionary tradition has remained alive among Italian labor. This tradition produced a revolutionary culture of its own comprising all social areas, from trade unions to the theater.

SPIEGEL: How does this new culture manifest itself? After all, there is also an alternative "scene" in West Germany.

Acquaviva: Just listen to one of the private radio transmitters where "Autonomists" or other ultraleftists are among those employed. There every day protest songs alternate with news in the form of war reports. First there is music and then, for instance, a "communique about the women's struggle in Milan," then again music, followed by a report on arson against an outfit lending out porno movies, and so forth.

SPIEGEL: Do you mean that Italian terrorism can be explained in terms of the existence of this militant cultural scene?

Acquaviva: To a certain extent it can. But there is another, typically Italian, factor--a profound antistate attitude in our country, reaching back into the Middle Ages. The state was generally felt to constitute alien domination. Even when the north Italians moved to the south in the middle of the last century in order to unify Italy, they were considered foreign occupiers. The opponents of the new state conducted a guerrilla war against the army, carabinieri and police. Later, in the anti-Fascist resistance, this antistate attitude combined with the revolutionary fighting zeal of the labor movement then being headed by the communists.

SPIEGEL: After World War II the PCI took part in the government and significantly shared in drafting the new democratic constitution. That was no longer antistate but rather supportive of the state.

Acquaviva: True. Yet the PCI remained ambivalent into the fifties, leaving open the question as to whether or not it continued to want revolution. Early in the fifties Christian Democratic Prime Minister de Gasperi reportedly said about PCI chief Togliatti: "I can govern only because he is keeping the revolution under control." Only in the late sixties did the PCI begin turning into a social democratic party.

SPIEGEL: In other words, until the late sixties the extreme leftist forces almost exclusively belonged to the PCI?

Acquaviva: Yes. Previously they had been tied into the PCI, and now they lost their home. They formed new groups preaching violent revolution. That was the starting point of terrorism. That radicalization occurred, as it were, in parallel with the PCI turning social democratic.

SPIEGEL: But terrorism began in the late sixties with the attempts by the neo-Fascists. The climax, in 1969, was the bomb explosion at the Agricultural Bank in Milan, during which 16 people lost their lives. The attacks by the ultraleftists that followed were directed against the neo-Fascists--in other words, were something like counterterrorism.

Acquaviva: Chronologically this is true. But one must not simplify the connection that way. The extreme rightists had no base at all; they were tiny groups deriving partly from Mussolini Fascism and wanting to take advantage of a favorable opportunity.

SPIEGEL: In other words only putschists?

Acquaviva: Perhaps.

SPIEGEL: In any case several members of the Red Brigades began their careers as military opponents of the neo-Fascists. For instance, Patrixio Peci, the son of a woman resistance fighter, while still a boy was prominent in brawls with neo-Fascists.

Acquaviva: Those are individual cases which do not permit the conclusion that leftist terror was but a consequence of rightist terror. The leftist ultras were not that primitive.

SPIEGEL: Nevertheless it is a fact that the police and secret service at that time covered up the neo-Fascist machinations to a large extent. In fact, the attempt in Milan was at first blamed on the anarchist Valpreda. Besides, there existed neo-Fascist plans for a coup. In any case it was possible for the extreme leftists to gain the impression that the whole state apparatus was contaminated with Fascists.

Acquaviva: You know, there is also involved here the Italian mania to suspect political conspiracies everywhere. This has happened here ever since the Renaissance. Anyway, leftist terrorism is not just a reaction. I know that from personal experience. From 1967 to 1970, when I taught at Trento University, which was a gathering place for extreme leftist students including Renato Curcio, founder of the Red Brigades, a gradual change in attitude took place among those students--a change which is best understood in psychological terms. If then this road finally led to the Red Brigades, it was not because, for instance, the neo-Fascists made an attempt against the fast train "Italicus." A much more decisive factor was the profound crisis of Italian society which began at that time. It was only it that caused the extreme leftist groups to resort to violence.

Acquaviva: Presumably you have in mind the "hot autumn of 1969, when workers and students in northern Italy took to the street with radical demands.

Acquaviva: Yes; but those were but symptoms of a more comprehensive crisis. The whole value system of Italian society collapsed at that time. In fact a lot more was at stake than, for instance, in the case of the West German student revolt.

SPIEGEL: What do you mean by that?

Acquaviva: The Italian crisis had different roots from those of the growth crisis of the other industrialized countries. Whereas in Germany, France and Britain industrialization extended from late in the 18th to late in the 19th century, Italy until the end of World War II was basically still an agrarian society. But then, within 20 years, the country was industrialized. A result of this enormous tempo was the collapse of the traditional value system. Take the millions of southern Italians who migrated north: they are completely uprooted culturally.

SPIEGEL: You mean this internal migration had a direct effect on the revolutionary movement?

Acquaviva: The mood of protest spread by the ultraleftist groups at the time created a readiness among those who had migrated to Milan, Turin and Genoa to regard their straits as politically rooted and to proceed by force against the system. It is no coincidence that the few southern Italians arrested as members of the Red Brigades had lived as immigrants in the north for some years.

SPIEGEL: In West Germany too there has been talk since the growth crisis of the seventies of a collapse of values; so this is surely not a typically Italian phenomenon.

Acquaviva: That may be so. But--in contrast with the situation in our country--in France and Germany some basic values of industrialized society, such as efficiency, security and ownership, and also the constitutional order as such, were not placed in question by the crisis. Here basically no one any longer takes the police or the army seriously. They exist, and that's all.

SPIEGEL: Has the idea of ownership, in great esteem among workers as well as the bourgeoisie, also lost its validity in Italy?

Acquaviva: Certainly among many young people. During the occupation of a seminar at the university here, for example, I saw a student smashing in a door. I asked him, "Why are you breaking this door?" He replied, "Why should I not break it?" Because of generally recognized principles," I answered. "But such principles don't exist any longer," he said.

SPIEGEL: There remains a contradiction. On the one hand, the ultraleftists who you say belong to the milieu of terrorism reject all basic values of bourgeois society, particularly the capitalist system. On the other hand, however, multimillionaires like Fiat chief Agnelli or concern owner Pirelli remain unmolested while smalltime policemen and civil servants are moved down.

Acquaviva: An antistate attitude, it happens, is much older and more deep rooted than anticapitalism also among ultraleftist Italians. The terrorists of course prefer to hit such servants of the state as have incurred the wrath of the guerrillas during pursuit, judicial procedures and in imprisonment.

SPIEGEL: German terrorists declared the representatives of big capital, such as the banker Ponto and the employer's president Schleyer to be their enemies and tried to base their actions on class struggle slogans. The Italian ultras, on the other hand, apparently do not consider it so important to justify their actions with anticapitalist ideology.

Acquaviva: They certainly do not. While the ultraleftist intellectuals here in Italy too have anticapitalism in their heads, in practical terms their struggle is directed exclusively against the political institutions.



Traditionally everything is seen under political aspects in Italy, with the politicians being blamed for everything. This traditional thinking is also being followed by the terrorists,

SPIEGEL: The ultraleftists expressly consider themselves revolutionaries. Do they in fact have concrete aims and models?

Acquaviva: The members of the "Armed Party," particularly those of the Red Brigades are orthodox Marxist-Leninists. They think and act entirely along the lines of the Stalinist Comintern ideology. This also defines their model of society--dictatorship of the proletariat. In the environment of the "Armed Movement," there are no clear aims, on the other hand.

SPIEGEL: Presumably with the exception of the Negri group, the "Autonomists."

Acquaviva: Two trends exist there--the Marxist-Leninists and the advocates of theses of the new left. Therefore Toni Negri with his book "Rule and Sabotage" tried to amalgamate the two trends. But in his case too it is hardly possible to see a concrete model.

SPIEGEL: Anyway, Negri, with his theory inspired by Marcuse which calls for total refusal and even sabotage of capitalist production, is regarded as the intellectual pathfinder of the revolution. Did he only theorize or did he also take part in violent attempts?

Acquaviva: I don't want to comment outright on this point; there are legal proceedings pending against Negri. In any case, he is an educated and intelligent man and also puts great emphasis on feelings.

SPIEGEL: Negri wrote for instance: "When I pull a wool cap over my head for camouflage I feel my ties with the working class." Is that not a confession of action?

Acquaviva: Negri commented later that he had meant that only symbolically.

SPIEGEL: Do you believe that?

Acquaviva: I do not believe that he participated actively; he is not the type. More I cannot say about this.

SPIEGEL: Negri has some pretty romantic-heroic ideas about the struggle of the exploited. The theses of other ultras certainly appear to be more realistic in that respect. Thus the influential group "Lotta Continua" (Constant Struggle) maintains that on the one hand Italy is already an industrialized state, while on the other hand it is still a developing country. Therefore, similarly as in Latin America, it was legitimate to conduct a violent struggle. Does this view apply to all Italian revolutionaries?

Acquaviva: Their ideas tend to be confused. The Red Brigades, for instance, want to transfer the struggle against the multies in Latin America to Italy. Now, those multies, such as the United Fruit Company, while playing an important role in Paraguay and Nicaragua, hardly do so in Italy. The very lack of a clear strategy contributed to the current crisis of the guerrilla movement.

SPIEGEL: Accordingly, in contrast with the classical parties of the left, the terrorist movement has no uniform concept for building a society of the future. Nevertheless it has a strong ideological foundation geared to unity and solidarity....

Acquaviva: ...resting not only on Marxism but also on Catholicism. Precisely Trento University was an important stage for young ultras of Catholic milieu, such as the later Red Brigades member Curcio.

SPIEGEL: Is the religious root of the revolutionary movement a matter of Italian Catholic tradition?

Acquaviva: Rather a matter of dogmatic thinking and of the inclination to divide people into good and evil. It is here that many motives for acts of violence are to be found--and that in turn has to do with the disintegration of the old world order.

SPIEGEL: Could you explain this?

Acquaviva: Young people will have a need for the absolute, for definitive truths. In former times they quenched this need in religion, in the lap of the church. Their socialization at first took place in the parish. All that changed when after the Vatican Council Catholicism entered a crisis in Italy. The young faithful became more critical, registered their objections and moved farther and farther to the left. They became enthusiastic over revolutionary priests such as Camilo Torres. A great many young people at the time joined the Marxist groups left of the PCI, wanting to quench their need for totality in the ultraleftist revolutionary movement.

SPIEGEL: But how do these Catholic revolutionaries combine their religious faith with Marxism?

Acquaviva: They say that they have adopted Marxism only as a method and not as an ideology. Thus they believe they are able simply to overlook the atheist teaching of Marxism. I witnessed some violent debates on this subject in Trento. At that time the revolutionary mood was still fairly romantic. For example, students would sing revolutionary songs while having lunch at the student's mess.

SPIEGEL: We have talked about two ideological roots of terrorism--the revolutionary, Marxist-permeated tradition and Catholicism marked by a disintegration of values. As a third root you once mentioned a new attitude of young Italians--the "politicization of the personal."



Acquaviva: There it is a question of the problem of personal liberation from traditional norms and role patterns. Take, for example, the feminists, who from the start lent a political significance to their struggle against the predominance of men. Or a young man whom his parents want to forbid to go and live with his girlfriend now criticizes the political attitude of the older generation; previously it would have been an entirely private row between father and son.

SPIEGEL: A conflict between generations combined with criticism of values surely exists everywhere, including West Germany, for instance....

Acquaviva: Sure. But I think it is particularly pronounced in Italy. Where as in Germany or Britain the fathers, just like the sons, were born into an industrialized society, the fathers of Italian sons come predominantly from an agrarian society. The contrast between generations is therefore particularly marked in this country, with two worlds confronting one another. This favors the tendency of the sons to generalize their personal difficulties with their fathers and to give them a political stamp. Youth searched for orientation aids and exemplars among foreign protest movements. A special role was played by the American underground culture, from the beat generation to the hippies.

SPIEGEL: The American student protest in the late sixties was primarily directed against U.S. involvement in Vietnam--an aspect which did not play such a great role in Italy.

Acquaviva: Here as well as there, it was a revolt against authorities, including even idols of one's own. Thus a young Maoist wrote on the wall of the university in Trento: "Mao = God, God = swine, Mao - swine."

SPIEGEL: In West Germany the antiauthoritarian attitude of the students often manifested itself in Sponti actions. At a lecture of Theodor Adorno--after all, one of the intellectual fathers of the student revolt--women students bared their bosoms in order to ridicule abstract theorizing. Does this accord with the antiauthoritarian protest here in Padua?

Acquaviva: Not quite. True, here too a number of things happened during occupations of faculties. There was free love in auditoriums and taking of drugs in seminars. But generally the protest resulted directly in violence against things and also against persons.

SPIEGEL: Marxist tradition, disintegration of Catholicism--is this the explosive mixture of the Italian ultraleftists?

Acquaviva: Yes, as far as their ideological basis is concerned. But the mixture differs from group to group. Among one, one finds a lot of leftist Catholicism combined with a bit of underground and a bit of Marxism; among another, on the other hand, one finds only Marxism and underground and nothing Catholic at all. What I find striking is that in the movement as a whole there exists no enmity against religion.

SPIEGEL: About a year ago your faculty was laid in ruin by the ultres. Professors were beaten up, including even members of the PCI. Meanwhile, as far as we can see, peace has returned here.

Acquaviva: It appears that way to the outside. Doors are no longer being smashed in. And during the day the walls are no longer smeared with slogans. But they are at night.

SPIEGEL: Apparently the protesting now takes place only secretly and in the dark. Does this not mean that violence has also receded?

Acquaviva: Spontaneous--in other words, unorganized violence, has in fact decreased. This means in practical terms that more and more members of the armed movement have gone underground. I therefore caution against interpreting the receding of spontaneous violence as a weakening of terrorism. It has not weakened.

SPIEGEL: Your colleague Angelo Ventura, professor of history, recently was shot in the foot because he did not want a seminar administered by students and also gave tough grades.

Acquaviva: True. But professors attacked bodily or threatened are in a very small minority. There are 2,000 college teachers here.

SPIEGEL: Did you not arouse the ire of the ultras with your publications about terrorism?

Acquaviva: You know, it is easier to shoot someone one does not know. I have met almost everyone and talked with almost everyone.

SPIEGEL: You are not afraid?

Acquaviva: No.

SPIEGEL: Thank you for the interview, Mr Acquaviva.

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CSO: 3103

## DOCK WORKERS REJECT GOVERNMENT PAY CONTROLS

Rotterdam NRC HANDELSBLAD in Dutch 12 May 80 p 1

[Text] Rotterdam, 12 May--The Rotterdam dock workers and teamsters, members of the FNV [Netherlands Trade Unions Federation], want the transport unions to reject the limiting provisions of the wage regulation at the coming CAO [Collective Wage Agreement] negotiations. They are holding out for their own CAO demands: complete price-rise compensation, 2 percent real wage increase, restructuring of wages, earlier retirement at 60 years, and more vacation.

This was decided by a large majority at the divisional meeting held yesterday by the harbor industrial group. Of the dock workers, 244 voted to reject the wage regulation and 3 voted against doing so. Eighty members voted for the FNV position. Of the 32 teamsters present, 31 voted to reject the wage regulation.

The FNV's position, which the board of the Central Industrial Group (CB) had advised members to vote for before the voting, is: given the wage regulation, try to conclude CAO's for longer terms than one year; the wage demands that are "washed out" this year by the wage regulation must then be "made good" next year.

Yesterday the dock workers did not have a good word to say about the FNV position. "If we accept the wage law now and want to conclude CAO's for a longer term, another wage law will promptly come along," was the opinion of those present.

G. Zeebregts, director of the Maritime Association South, the employers' association in Rotterdam harbor, is also of the opinion that concluding such CAO's would bring a subsequent wage law closer. He calls the dock workers' demands a confidence game; you can't make CAO demands that cannot be met.

In a radio broadcast Zeebregts also pointed out that the wage regulation looks particularly favorable to the dock workers. In contrast to factory workers, they are to get a 2-percent cost of living increase as of 1 June in addition to the 26 guilders a month gross for everyone.

8815

CSO: 3105

## BRIEFS

CHINESE STORAGE DEPOT--Rotterdam, 12 May (ANP)--The port authorities of Shanghai and Rotterdam will study whether a central depot for Chinese goods can be established in Rotterdam harbor. This is one of the results of the visit made to China by a Rotterdam delegation. The delegation, which was headed by Deputy Mayor Van der Ploeg, returned Sunday [11 May 1980]. Van der Ploeg said that in the future a great deal more Chinese goods can be expected to be warehoused in the port of Rotterdam. Shanghai, the city with the biggest harbor in China, and Rotterdam have been sister cities since November 1979. One million tons of shipping from and to China passes through Rotterdam harbor annually. This is mostly general cargo transportation. According to Van der Ploeg, their Chinese hosts admitted to the Rotterdam delegation that China got off to a false start in setting up its very extensive development projects. "The Chinese have now returned to their earlier plans and are now following them. They are now oriented toward a gradual development; the billion-dollar plans have been sidetracked," Van der Ploeg said. [Text] [Rotterdam NRC HANDELSBLAD in Dutch 12 May 80 p 2] 8815

CSO: 3105

## CONSERVATIVE CONGRESS STRUGGLES WITH ABORTION, COALITION DILEMMAS

## New Chairman on Abortion

Oslo AFTENPOSTEN in Norwegian 26 Apr 80 p 7

[Text] "The abortion case pertains to people in an emergency situation. Especially with a point of departure in the Christian cultural background we have a duty not to be so categorical that we behave without mercy," says the incoming chairman, Jo Benkow, of the Conservative Party. People believe that politicians should have positive answers. In the abortion case Benkow said that he would allow himself to doubt until he reached a position, but he was chased "out on the track" by his own. The politicians must simultaneously both keep their head cold--and keep their heart in the right place. Jo Berkow does have that! The 55-year-old member of parliament from Akershus is a solid political "jack of all trades." Some key words from our own columns recently confirm his broad engagement: Reporting crimes, civil disobedience, tax fleeing, Nordic TV cooperation, those in the most difficult positions must get the help they need.

[Question] The abortion case stands in focus. The task of a party chairman is, of course, to lead and advise. Can you--and the Conservative Party--afford to continue to let doubt reign?

[Answer] I should personally wish that it would be possible to get a clarification as soon as possible. However, there is a proposal about postponing the reality decision to the national meeting in 1981. The postponement proposal has been furthered because we want everybody to have an opportunity to evaluate all sides of the question.

I agree that it is not the task of a leader to administrate others' opinions. But in those cases where one asks the people--or voters and representatives--about their opinion before one takes a position--one must also take into consideration what they have to tell us. I would rather not have anybody say that the Conservative Party for considerations of convenience or to avoid temporary stresses takes the decision before everybody in the party feels prepared for it.

[Question] Recently you said on the radio that abortion is such a deep serious question that nobody else but the woman herself can have the decisive word. Is it then necessary to change the existing law about self-determined abortion?

[Answer] Yes, it is required. It is correct as the chairman of parliament's social committee, Odd With (Christian Peoples Party), has said: "It involves primarily attitudes. What we must emphasize is a mobilization of responsibility among those who are directly affected by the abortion question. This is what we want to stand in the center of our proposal.

Experience has unfortunately shown that neither previous legislation nor well-meant, but unsatisfactory social measures have been able to guarantee the unborn life the real protection we all want to give it.

[Question] In an interview with AFTENPOSTEN in February you also referred to the basic attitude of the Conservative Party and its Christian value foundation the way it is included in the party's paragraph on goals. Can you get your attitude--and Kare Willoch's outline, for that part--to harmonize with it?

[Answer] Yes, I definitely believe that.

Benkow says he would like to give the reasons for this in more detail--and continues talking: I do not believe the Christian cultural foundation gives any unambiguous answer to what is of the highest ethical value: on the one hand to let somebody who is authorized by society take the final decision and which in practice has the result that almost everybody who applies gets the desired abortion approved, or on the other hand to leave the final decision up to the individual woman, who must take her standpoint under complete personal responsibility and in accordance with morality and conscience.

A moral-philosophical consideration cannot give any unambiguous answer. An equally genuine and deeply felt value conservatism may lie behind more than one standpoint in this case. Who can appear with the highest moral authority in this question is difficult to answer. One should probably also be cautious about that.

It is the basic attitude which characterizes the formulation of the law and which will be decisive when one must evaluate the question in light of the Conservative Party's paragraph on goals.

Benkow adds: It is worth noticing that the Church has also had to reevaluate its attitude to the question. Even there a relativization and an adaptation to reality has taken place. I have never interpreted this to mean that the Church has made deals with its value foundation.

For me all talk about self-determined abortion has been meaningless. It involves people in an emergency situation. Especially with a point of departure in the Christian cultural foundation we have a duty not to be so



categorical that we behave without mercy. I refuse to believe that in today's conscious society there are women who do not take the question very seriously. I believe everybody in the Conservative Party agrees, regardless of their standpoint.

[Question] In the February interview you also said that you would feel committed by the abortion standpoint which the party works out jointly and which will stand in the Conservative Party's programs. You recently maintained that it can never be of interest for the Conservative Party to demand that one compromises with one's personal view--regardless of how the program is developed. You cannot then possibly mean both things?

[Answer] No. The way I see it is that a party chairman has in everything a duty to respect the programs. The unreserved admission I gave to the individual's conscience in this question applies primarily to colleagues who have been elected as spokesmen for the party but not in the same way as a chairman.

Most of all, Benkow admits, I would have preferred if the abortion case had never been made a party-political subject. But now that this has happened, it must be correct--in any case for a party chairman--to emphasize what can speak in favor of the program posts the supreme organs of the party have adopted.

[Question] Next weekend you will, according to all indications, become chairman of the country's next largest party. Do you thrive on the idea?

[Answer] Jo Benkow thinks a little about this before he answers:

It is not precisely the idea of thriving on this which I'm most occupied with. I know that the chairman's job will demand so much of me that I have already tried to prepare myself, both practically and mentally, and I must sincerely say that I am happy that the pre-national meeting period will soon be over so that we can get started for real!

[Question] The party is clearly bigger than what Alv Kjos, Sjur Lindebraekke and Kare Willoch led and what Erling Norvik took over. Is it also a different Conservative Party?

I wouldn't say that. But a party is, of course, just like society in general, in continuous change. The changes in the Conservative Party, however, do not apply to basic core values such as are expressed, for instance, in our strong social commitment, which--even in changing forms of expressions--have been anchored in a firm value attitude all the time.

[Question] Do you manage to get to talk to people in the Conservative Party in the countryside--or will there be a 'collision' between city and country?

[Answer] Not at all. To the extent I manage to create a proximity between politicians and voters, it does not matter whether I am in the countryside or in the city. In spite of everything I have been traveling continuously for the party for 15 years so I do have a certain experience to build on.

Besides, I get along just as well out in the districts as in the cities. And the normal city fellow who does not feel attracted by the Norwegian countryside probably does not exist because we are chock full of cultural currents characterized by the countryside which have had a strong effect on all of us, both through childhood and the growing up period.

[Question] I would think you are not too sure about getting the votes from Norway's countryside delegations for the national meeting.

[Answer] You can believe what you want. It is still true that some of the experiences I look back on with the greatest joy took place outside the city environment.

[Question] You too would probably emphasize a strong as possible non-socialist government alternative in the parliamentary election next year?

[Answer] I can assure you of that. The basic attitudes which unite the large nonsocialist parties will have a decisive striking power even though in individual cases we might prefer somewhat different solutions.

For me a collaboration of this type means something much more than political expediency. It involves ideologic elements and is--correctly practiced--in agreement with the best in a true democracy.

Collaboration--in the government as in the opposition, and in other connections--obviously means also to give and take, and it must also be an advantage for all parties which participate in it. A collaboration can never be successful if the majority refuses to take the minority into consideration. But democratic rules of play also require that the minority must exercise a corresponding self-discipline.

I do not believe it will be understood in general if anybody sows doubt about the will to collaborate while referring to different attitudes in an individual case, the chairman candidate of the Conservative Party emphasizes.

[Question] Of the leading opposition party it is also required that it can point to better solutions than the governing Labor Party, for instance, with regards to securing the jobs and guaranteeing worthy, social standards in an uncertain time. Is the Conservative Party ready for this?

[Answer] If I had not been convinced about that I would not have said yes either to taking over as party chairman.

I will give some catchwords: The general level of knowledge must be raised. We must develop an economic system which strengthens personal responsibility and guarantees private ownership rights. Our production life cannot choose and discard with respect to what is to be produced, and we must therefore not close down the jobs which are based on electric power and other known energy sources. We must get ready to meet the industrial explosion in the Far East, where, for instance, they do not hesitate to utilize modern computer technology. And--if we are to be a vital nation which shoots new buds, we are forced to conduct an economic policy which stops the quick development in the direction of a state-capitalistic society. Does anybody doubt that the Conservative Party can manage this better than the Labor Party?

There are many indications that development today goes so fast that not everybody can expect to have the same jobs throughout their entire life. It is completely decisive therefore that the increased changeover rate in the economy be followed up with an educational and training system which takes this into consideration. I am convinced that all willing hands--and heads--who want to do useful work will get enough tasks to challenge them. It is and will be an unconditional demand on society that they prepare the conditions such that everybody who can and will make a contribution be guaranteed useful employment.

[Question] You recently said--committing for the Conservative Party--that those in the most difficult positions will get the help they need. Whom were you thinking of especially?

[Answer] Those who are disabled for life, all the undefined groups of partially or fully incapacitated, those suffering from psychic diseases, the mentally feeble. I also thought about a greater contribution to the alcoholics, narcotics and criminal care, and those in the weakest positions among older people and those who have been left alone.

[Question] When you entered the leadership in the Conservative Party, you indicated that you would "throw your jacket off." Now there probably is no way around that?

[Answer] Although apparently it has not been noticed, I have already tried to throw it off some time ago. I can assure you that I have not had any problems with my free time in the 5 years I have been in the chairman's committee in the Conservative Party. I do not expect to have this type of problem in the future either.

## Party Stand Applauded

Oslo AFTENPOSTEN in Norwegian 5 May 80 p 2

[Editorial: "Honest Stand"]

[Text] After a long, intense and, in part, very exciting debate the Conservative Party took the consequence of the fact that the party is divided on the abortion question. With 231 votes against 90 the Conservative Party's national meeting in Skien decided to place the party's popularly elected representatives free so that they can take their own stand on the basis of their own conviction and within the framework which the party's paragraph on goals sets. It serves the Conservative Party honorably that it openly and sincerely admits that the abortion question stands in a special position, tied as it is to deep personal value attitudes. In such a question nobody can compromise with their conscience.

In our opinion it is an honest solution which the Conservative Party has arrived at in the abortion case, and in the situation which gradually had arisen it is probably the only possible compromise. It is also the only fair thing to do in the relationship to the party's voters. And last but not least: it is a solution which can safely be dependent on the basis of a conservative attitude and tradition. For our own part we would have liked to see that one long time ago would have taken notice of the fact that in a serious question of conscience as the present one one cannot force the popularly elected representatives to assume a party standpoint which is against their conscience. We have always believed that the abortion case is not suitable for the party whip. And when some people maintain that it is against Christian values to leave such a question to private evaluations, we agree with Lars Roar Langslet: No, it is not un-Christian to sound one's conscience more than party decisions. Besides: how clarifying and consultative to party members, representatives and popularly elected men is actually a program post which a large minority does not feel that they are bound by?

We note with considerable astonishment the concern which leading spokesmen for the Christian Peoples Party and the Center Party have expressed with regards to the Conservative Party's decision concerning negative effects on nonsocialist cooperation. Such a reaction appears to us to be both excessive and a little scheming. Because one could not possibly mean that a nonsocialist alternative can be based on the principle that the individual party's representatives should be forced to take stands against their conviction in cases of conscience. It would be an especially poor foundation to collaborate on.

The attitude of the Conservative Party to the nonsocialist government alternative is the same active and positive attitude as it has always been. But as the outgoing chairman, Erling Norvik, so strongly emphasized in his parting speech: "This alternative must build on mutual respect for each other's distinctive qualities. Here one cannot dictate to each other what

stands should be taken. The conditions for a nonsocialist government collaboration must be those which the voters give it in elections.

But the abortion case is, of course, not over. As was maintained from several quarters in the national meeting, the Conservative Party will assist in working on a new abortion law which more clearly marks the ethical perspectives and goals. It is still seen as a main task to work for an effective protection for the unborn life.

#### Bourgeois Cooperation Doubtful

Oslo ARBEIDERBLADET in Norwegian 5 May 1980 p 7

[Article by Gunnar A. Johansen: "After the Conservative Party's Zero Standpoint"]

[Text] The Conservative Party's national meeting has again created friction and doubt in the nonsocialist collaboration. The reason is not only the ambiguous attitude to the abortion question, but the Conservative Party has also entered a collision course with regards to the energy policy and the license law.

"The Conservative Party is demolishing the foundation for the collaboration," says Lars Korvald of the Christian People's Party. "The Conservative Party has created doubt about the collaboration party's long-range program," says the chairman of the Christian People's Party, Kare Kristiansen, while the Center Party's Johan J. Jakobsen believes the Conservative Party's new face is surprising.

It is primarily the abortion resolution in the Conservative national meeting in Skien last weekend which has created a stir in the rest of the nonsocialist camp. When the Conservative Party chooses not to take any stand in the abortion question but to leave the parliamentary representatives free, most people expect that the present abortion law will remain. That a majority in parliament after next election could imagine certain adjustments in the law seems possible, but there were few at the Conservative Party's national meeting who expected that it would be of interest to take women's right to have the decisive word away from them.

Lars Korvald also interprets the consequences of the Conservative Party's resolution to mean that the law about self-determined abortion will remain.

"It looks as if the fight to change the law away from self-determined abortion is lost, at any case in the first round. One cannot expect that the law about self-determined abortion will be changed in the near future, and I find it highly deplorable that the Conservative Party has abandoned the stand they have stood by up to now," says Korvald.

According to Korvald's opinion, the Conservative Party has torn away the foundation for the government collaboration by taking an attitude which in



its consequence makes it difficult to change the present law. For the Christian People's Party the abortion question is of crucial importance, and Lars Korvald has previously referred to the abortion case as the most important cultural-political case at this time.

"There are obviously also other important cases, but we consider this case to be so important that it will become very difficult to see the possibility for a government collaboration," says Korvald.

The chairman of the Christian People's Party, Kare Kristiansen, says he finds it very difficult to understand that the Conservative Party now can declare the abortion case to be party-politically neutral. He believes that in a government position it will become impossible for a party to be without a stand in such an important case of principal significance.

"The Conservative Party has created doubt about a significant point in the joint long-range program which the three nonsocialist parties have used as a foundation," says Kristiansen.

Johan J. Jakobsen of the Center Party says that the Conservative Party's new signals in the two most important cases, abortion and energy policy, are surprising. Jakobsen believes it is too early to say anything about whether these cases will make it difficult to arrive at a nonsocialist government alternative.

"With regards to the license law, proposals for changes are already available in parliament. When the changes in the law are to be discussed we will see how big a separation there is," says Jakobsen, and thus indicates the possibilities for a nonsocialist split on the license law.

It was strange that Erling Norvik in his opening speech at the national meeting failed to mention the nonsocialist collaboration with one single word. Jo Benkow tried to straighten up the whole thing in his accession speech yesterday by declaring that the Conservative Party will contribute with all its capacity with regards to nonsocialist collaboration.

But declarations is one thing. Another thing is the formulation of practical political standpoints. Here it seems evident that the Conservative Party has moved away from the other two nonsocialist collaboration parties since the three parties presented their collaboration program.

#### Abortion Issue to Continue

Oslo ARBEIDERBLADET in Norwegian 5 May 80 p 7

[Article by Gunnar A. Johansen: "The Abortion Battle Is Not Over"]

[Text] Does the Conservative Party have reasons for saying they are finished with the abortion case as Jo Benkow said at the conclusion of the



national meeting yesterday? There are many indications that the opposite is true, that the party must continue to live with the fight.

Both adherents and opponents of self-determined abortion stated at the national meeting that they will continue the work of gaining support for their point of view. In addition there remains a nomination process where it is difficult to get around the abortion case.

It came as a big surprise to the party leadership that the opposition to no standpoint in the abortion case was so big in the national meeting. During the final voting all of 90 people voted for the party having a standpoint in the abortion case, while 123 followed the leadership of the party about no standpoint and leaving the parliamentary representatives free. During the test voting 120 voted for taking a standpoint.

That the Conservative Party is not satisfied with the way the abortion case was handled is confirmed by the fact that the party now will appoint a committee for evaluating the abortion case with special emphasis on the development in the next 10 years. At the press conference after the conclusion of the national meeting yesterday, the new chairman Jo Benkow said that Professor Inge Lonning at the University's Theological Faculty will be asked to lead this committee.

Even more doubt has thus been created about where the party finally will wind up in the abortion case. Among those who announced continued battle was Lars Roar Langslet. He said straight out that it was without enthusiasm that he went in for the party not taking any standpoint and made it completely clear that he would work for a new law which builds on protection for unborn life. Kare Willoch emphasized that today it was not correct to take a party standpoint. It was understood that it might be of interest in later national meetings.

Both the chairman of Conservative Women, Mona Rokke, and the chairman of Young Conservatives, Terje Osmundsen, made it completely clear that they will continue the work of getting their points of view in the abortion case established in the program. The voting revealed the fact that supporters of self-determined abortion have support far beyond Young Conservatives and Conservative Women. It is not considered impossible that the abortion case may come up again already in next year's national meeting.

But before that time the party must go through nominations for next year's parliamentary election. Even if the abortion fight in all cases would have been central in the nominations in the Conservative Party, one now risks that it will be focused even more. After the party has decided to leave the parliamentary representatives free, during the nominations there will be a challenge to ask the candidates for their abortion standpoint. In some counties the result of this may be that the abortion case takes on larger dimensions in the nomination process than the leadership in the party would like.

The Conservative Party administration expresses hope that the voters will understand the attitude the party has taken on the abortion question. They are even trying to give the no standpoint an ideologic superstructure by presenting it as the most straightforward and correct in principle in what they call cases of a conscience character. What many people are wondering about is why one has not arrived at this before.

Many of those who argued saying that the party should take a standpoint in this national meeting argued there was a danger that the party might lose its credibility. One of those who warned most strongly about the voters' reaction to what the national meeting now has adopted was Mone Rokke. There is a question whether she might be right about her warning. In the last election the Conservative Party had unexpected big progress in western and southern Norway. These are parts of the country where the party traditionally has been weak and the Christian Party has reigned. The consequence of the national meeting last weekend may be that the Christian Peoples Party recovers what they lost in these parts of the country.

#### Conservatives Woo Parties

Oslo AFTENPOSTEN in Norwegian 10 May 80 p 3

[Article by Eivind G. Karlsen: "Willoch Points Out to an Uncompromising Korvald: We Have a Duty to Work Together"]

[Text] We have a duty to work together as nonsocialists, in the abortion case as well as in the long series of other cases! The Conservative Party's Kare Willoch pointed this out several times in "On the Street" yesterday evening, while his colleague in the Christian People's Party, Lars Korvald, did not let this bother him much: he stood uncompromising by the view that protection fixed by law for an unborn life is more important than nonsocialist government collaboration.

Even though the debate between the two was more redolent of a "head-on collision" than a dialogue, both expressed hope that a collaboration platform can be found for the next 5-year period too.

The Christian People's Party parliamentary leader was first placed under crossfire by the program leaders Heradstveit and Per Jarle Hellevik: Would it be possible to create a nonsocialist government collaboration after the decision the Conservative Party's national meeting took on the abortion case? Korvald answered that he had to put a question mark next to it: Should we work for actual legal protection--or what? The Conservative Party has left their representatives free, but a party must have a standpoint in a case like this, he maintained.

Korvald pointed out that to him the abortion case is more important than the collaboration question: It is the most important cultural-political question we are confronted with at this time. Personally--and he believed the party wanted the same--he also wanted to stick by what the three

collaboration parties (the Conservative Party, the Christian Peoples Party and the Center Party) agreed on in June of 1978, namely "firmly to reject a law based on the principle of self-determined abortion."

The Conservative Party's parliamentary leader Kare Willoch specified that the goal in the abortion case is still this: to make sure the abortion figures go down and to prevent pregnancy interruptions.

The subject for the debate sequence was actually 'nonsocialist collaboration,' but the program leaders still let it center almost entirely on the abortion question. Willoch was the only one who tried to present a broader collaboration perspective: "Let us contribute to a broad nonsocialist collaboration--there are more things which unite us than separate us; let us stick with a united nonsocialist alternative to the socialist administration!" he appealed. Willoch mentioned a number of cases to illustrate the commitment: taxes, defense, life outlook questions, labor environment, the free schools, the "folk high schools."

Korvald noted about this: "I would rather appeal for an actual mobilization of responsibility (in the abortion case)." Willoch immediately declared that he agreed completely with this.

"The question cannot just be swept under the carpet," continued the parliamentary leader in the Christian Peoples Party, and his colleague in the Conservative Party then replied: "We haven't done that either; but what is wrong is rather that we have had an open debate on this."

"Will there be a new joint declaration from the three collaboration parties in good time before the parliamentary election next fall?" was one of the last questions. Korvald replied: "I believe such a declaration will come in connection with the treatment of the long-range program in the spring of 1981. But there will hardly be any new special declaration," he added.

Willoch followed up: "I believe we will work ourselves out of the somewhat negative atmosphere which prevails now. It is due," he believed, "to completely unreasonable interpretations of what actually came out of the Conservative Party's national meeting."

#### MP Delegation Power Attacked

Oslo AFTENPOSTEN in Norwegian 6 May 80 p 3

[Article: "Conservative Party Conflicts about the Political Power of the Parliamentary Group"]

[Text] The Conservative Party's party organization must get greater political power. The demand for this was again raised in the party's national meeting last weekend, where some people did not conceal the fact that the organization's possibly increased political influence must take place at the cost of the parliamentary group. The completely opposite attitude was,

however, also maintained. The chairman of the parliamentary group, Kare Willoch, rejected the idea about some kind of a schism between the group and the party as incorrect. He pointed out, for one thing, that the national meeting is the Conservative Party's supreme organ: its position also stands unshaken.

In the press conference after the national meeting, the Conservative Party's newly elected chairman, Member of Parliament, Jo Benkow, maintained, for one thing: "The promising thing about this debate is that it shows that more and more women and men want to participate in the party's policy-creating work." "These resources must be utilized," declared the party chairman.

President of parliament Sverre Strøm, member of the Conservative Party's labor committee, believed that the parliamentary group stands more free in relationship to national meeting statements and resolutions and other party decisions than to the national meeting's program decisions. "But each statement of opinion from the party will obviously to the highest degree be taken into consideration," he emphasized.

The chairman in Young Conservatives referred, for one thing, to the abortion case and the energy policy when he started the debate. Terje Osmundsen deplored that there had not been time for a perspective debate in the national meeting, and continued: "The national meeting adopts the party programs, and the voters vote for the party. It is therefore correct both democratically and based on principles that the party must have the deciding word."

"This does not mean that we in Young Conservatives want to declare the parliamentary group to be incompetent. But we probably feel that there may be a need for the Conservative Party's national meeting to give signals to the group about certain political main principles. If we as a party after the parliamentary election in 1981 are to manage to set the terms for the political debate, we need alternative expertise and a reporting apparatus which can participate in formulating them," Osmundsen emphasized.

The Conservative Party's parliamentary leader Kare Willoch first found a reason to emphasize: "The parliamentary group works--like other organs in the party--as a part of the Conservative Party and at any time in the most thorough contact with it."

"It is still clear that the Members of Parliament take their stand-points after consultations with local representatives and others to the extent that time makes this possible. They do not at all work as single individuals in a vacuum but as spokesmen for those who have elected them and in agreement with the program they are elected on and which has been adopted by the Conservative Party's national meeting," Willoch emphasized.

With regards to concrete cases, the party's earlier chairman and present parliamentary leader through a number of years said, for one thing: "It is

not always easy during the course of 3 days to crystallize out concrete standpoints, for instance, in appropriation cases. But I want to guarantee that even in those cases where the national meeting in a very short time cannot come with crystal clear resolutions, the debate which has been conducted will be a guideline for the parliamentary group."

Editor in the Conservative Party's Press Office and former group secretary, Kjell Hanssen, said he agreed with the Young Conservatives' chairman that there is a need for a clarification with regard to the relative power relationship between the party and the parliamentary group. "But if any relative correction of the positions should be necessary, it must at all times be for the purpose of strengthening the group in relationship to the party organization," he maintained.

"The popularly-elected must also have the necessary freedom to say stop when the demands for larger appropriations break the social-economic framework," Kjell Hanssen emphasized.

Member of the labor committee Per-Kristian Foss declared that he disagreed with Hanssen on all points. "Almost to refer to the party organization as a nuisance is to maintain an attitude 100 years too late," Foss believed, and he continued: "A party must today do somewhat more than to pass out tickets in the mailboxes. It must also be possible to adopt political resolutions in the party organs--after thorough evaluation--and in such a way that the parliamentary group is bound," maintained Foss, who believed that it should be possible for this to take place both in the national meeting and in other party fora. "We should be able to establish the national meeting's wish that the party be involved more strongly in the political decision process," he maintained.

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CSO: 3108



OTELO CONFIDENT REGARDING PRESIDENTIAL ELECTIONS

Lisbon O JORNAL in Portuguese 23-29 May 80 p 6

[Interview with Maj Otelio Saraiva de Carvalho, by Luis Pinheiro de Almeida; date and place not given]

[Text] "The parties do not concern me, and I am convinced that I am capable of starting an election campaign by myself now." O JORNAL was told this in an interview conducted by Luis Pinheiro de Almeida with Maj Otelio Saraiva de Carvalho, on the subject of the split in the FUP [Popular Unity Front]. Throughout his statements, recorded by Luis Pinheiro de Almeida, Otelio puts forth his views of the events within the FUP, and sheds some light on the essential political issue that underlies the disintegration of his movement, which lasted only 4 months.

O JORNAL: Why didn't you accept the proposal of the Porto coordinating entity, so as to preclude a split in the FUP?

Otelio Saraiva de Carvalho: Because there was no way of resuming the FUP process with the party organizations.

[Question] But why?

[Answer] Because, basically, it seemed to me to be a mere waste of time. After having analyzed the entire process, I had the conviction that the break was caused beforehand. What should have been planned, and what would have been more favorable to the UDP [Popular Democratic Union], was a split by the end of July; but the process occurred beforehand, owing to circumstances.

[Question] Then you think that the split was premeditated....

[Answer] I think so....

[Question] On what basis?

[Answer] In the area of the revolutionary left there are only two forces, and there are political differences between them: One is Maj Otelio Saraiva de



Carvalho, and the other is the UDP. The rest is scenery to enhance the "bouquet". The UDP itself acknowledges this.

[Question] Then do you think that the UDP attempted to become supreme?

[Answer] Yes. My experience of 3 years of psychological activity in Guinea has enabled me to clearly recognize the twists and turns that occur in terms of psychological activity, and what occurs in the so-called transfer of guilt. Moreover, this was used to a large extent by the Salazarist-Marcelist government, which ascribed the blame for the war in the colonies, not to Portuguese colonialism, but rather to the "bandits in the pay of Moscow." Exactly the same thing occurred in the FUP. The UDP blames me for having favored the OUT's [United Workers Organization] supremacy in the FUP; but it says this to conceal its own guilt.

[Question] But how are the defections of the independents associated with that process?

[Answer] There are different things involved. Catalina Pestana was the first member of the executive group to ask me to be relieved of her functions, and I complied before the 25 April celebrations. She never gave me any political reasons. I am extremely shocked and disappointed now to see Catalina Pestana involved in this process of deterioration. She told me that she would remain in the FUP, but requested a position with more time off, for merely personal reasons, namely, causes associated with her family and health.

[Question] What about Joao Pulido Valente?

[Answer] Joao Pulido Valente did not resign, nor did Acacio Barreiros. He suspended himself and put his position at my disposal after a meeting of the executive group at which charges were leveled against him.

[Question] What charges?

[Answer] I have an account of the activities which Pulido Valente performed, and I have reached the conclusion that the charges are valid. At a certain time, Pulido Valente began being besieged by the UDP and the PCP(R) [Portuguese Communist Party-Reformed] to collaborate within the executive group with Acacio Barreiros, who also never resigned from the UDP, in an attempt to preclude any possibility of the OUT's asserting itself. Now then, in the entire group of seven organizations backing the FUP, there were only two which in fact had a national establishment, but which were opposed from an ideological standpoint: on the one hand, the UDP, with a Marxist-Leninist plan that considered it necessary to organize a good vanguard party of the working class, and later to establish a political line that would attract the masses; and, on the other, the OUT, which demanded the revolutionary process with direct democracy, rank and file socialism and the seizure of power by the workers in terms of people's power.

## Difficulties Among the Revolutionary Left

[Question] But there are difficulties in the OUT too....

[Answer] There is no revolutionary leftist organization that is not experiencing difficulties at present. They are all about to disintegrate, with deep-seated internal quarreling. The UDP itself has undergone serious divisions internally. Acacio Barreiros resigned from the PCP(R); there were individuals who were expelled from the PCP(R); Communist Unity was formed with splinter groups from the UDP, and even now none of these problems have been solved within the UDP. And this is occurring in the largest revolutionary leftist organization. Others, such as the FSP [Popular Socialist Front], have disappeared, and others have not disappeared, though I don't know why; but they should have disappeared, as in the case of the PRP [Revolutionary Party of the Proletariat] and the MES [Movement of the Socialist Left].

[Question] What significance to you attach to Americo Duarte's resignation from the OUT?

[Answer] None. Americo Duarte had already suspended himself from the OUT's central committee some time ago, and was engaged in negative action. Furthermore, Pulido Valente's activity, that I have just mentioned, was also fostered by Americo Duarte, who provided him with the letter of resignation of Bruno da Ponte and others. All of this is extremely interrelated.

[Question] What is your position regarding the two factions of the PRP?

[Answer] It is still the same. I am friendly with both; I agree with the opinions of both. There is no revolutionary leftist organization with which I do not have differences....

[Question] ...Except OUT....

[Answer] Even with OUT. Although it came into existence at my initiative, and I am very closely linked with it, I have often had political differences with its leaders; but I admit that, nevertheless, in terms of plan and program, OUT is the organization with which I am most closely associated. As for the PRP, I agree with positions on both sides. My friendship and admiration for what they did even before 25 April are directed both to Carlos Antunes and Isabel do Carmo, as well as to other individuals. I am in the position that I have always held: equidistant in relation to any organization.

[Question] How do you interpret the communique from the PRP (Third Congress), from the Isabel do Carmo-Carlos Antunes faction withdrawing support from the OUT?

[Answer] All this is a result of the battle that was being waged on a certain occasion within the PRP. The OUT leaders have always remained in close contact with the PRP, but the imprisonment of the PRP's main leaders

led to the necessity for the OUT to become more closely associated with the leadership faction that was out of prison. That was all. It does not appear to me that there is really such a great gap between the OUT leaders and Isabel de Carmo and Carlos Antunes. Their psychological situation is what has prompted them to feel that anyone who shows up is against them.

[Question] Returning to the FUP....

[Answer] ....Returning to the FUP, the fundamental point that is evident to the public is this: I remain firmly attached to principles that I have established with the organizations and individuals, based essentially on two groundrules: The first is the fact that, in this entire process of launching the FUP, I have centralized the political leadership, and hence the final echelon for decision-making; and the second rule is that the political leadership did not include any party leader except for Mouta Liz (OUT), who has my personal confidence. It is merely that, at a certain juncture, a maneuver began to foster the entry of party leaders. And that was the real confrontation. I continued to abide by the groundrules, and the party organizations still wanted to force the entry of party leaders. The split appeared then.

Lurdes Pintasilgo and the Essential Political Issue

[Question] But was that all?

[Answer] In fact, many people cannot understand how a split could occur within the FUP just because Otelo did not accept party members in the executive group and the organizations wanted to put their leaders in it. Still, there is a set of political positions behind this....

[Question] For example?

[Answer] The essential political issue is this: In addition to the two movements of the revolutionary left (the Marxist-Leninist and the people's power), another phenomenon has now occurred, resulting from the presence of Maria de Lurdes Pintasilgo. In the FUP's executive group there were members who indicated that third alternative, namely the Maria de Lurdes Pintasilgo plan. Maria de Lurdes Pintasilgo agreed to be the prime minister appointed by the entire leftist area (Socialist Front, APU [United People's Alliance] and FUP), as a pole unifying that left wing. What was also mapped out within the FUP was the attempt to convert Maria de Lurdes Pintasilgo into a base of support as well. What happened was merely that Maria de Lurdes Pintasilgo only agreed to be the left's prime minister to implement a General State Budget if the president of the republic were Gen Ramalho Eanes. So, if the FUP agreed to belong to Lurdes Pintasilgo's base of support, it indirectly became a base of support for Ramalho Eanes for the presidency of the republic. Now this is a complete contradiction, because the political agreement signed on 28 March by the organizations backing the FUP clearly indicated that I was the candidate for the presidency. One of the members of the executive group who upheld

the left wing's third alternative was Luis Moita, who was in contact with Maria de Lurdes Pintasilgo, and who, a few days after the political agreement, in an interview with O JORNAL, did not accept me as a potential candidate alone. In view of the reaction from members of the executive group, namely, Joao Pulido Valente and Manuel Serra, he felt that there was no possibility of retaining his position, and withdrew from the process. And that is the main reason for Luis Moita's resignation.

#### The FUP Funds

[Question] May not the matter of funds also have contributed to the split in the FUP?

[Answer] No. Everyone, including the independents, is completely apprised of the origin of the funds. What is now being disclosed is a contemptible maneuver to put me in a difficult situation with respect to public opinion. The independents always told me that they were not in the least interested in learning the origin of the funds. Even so, I told them the origin, and the amount of money that I used to start the FUP....

[Question] Don't you want to state it publicly as well?

[Answer] Obviously not. The PS [Socialist Party] also refuses to tell how many marks it received from the Socialist International, and the PCP will not say how many rubles it received from the Soviet Union. I shall not tell either, but I did tell them. I was not at all ashamed to tell them where I obtained the money and the amount of money that I used to start the FUP. This was never questioned in the least. As for the funds, all that was said was that there must be collective management of them, and this was agreed upon.

[Question] What about the future?

[Answer] I shall continue. My commitment is with the working masses, and not with party organizations. I have given up the competition among all the partisan forces. I have also completely dissociated myself from the possibility of backing from the OUT. The parties do not concern me, and I am convinced that I am capable of starting an election campaign by myself now. Now I shall find out who the "Otelistas" are.

[Question] But where will you look for the apparatus for the campaign?

[Answer] In 1976, Pinheiro de Azevedo did not have an apparatus either, and he won 14 percent of the votes. The voters are often not bound to party machines....

[Question] ...But won't your plan constitute too great a risk?

[Answer] I don't think that is so. I realize that it is a risk, but I accept the challenge. In 1974, the PS did not have a machine either, and it was the first-ranking Portuguese political party in number of votes. It was after the electoral success that it began to become organized. I shall try to do the same thing, this time among the revolutionary left. I do not fear anything. I do not have any political or personal ambitions, and so I am quite at ease. I do not have any problems.

2909

CSO: 3101

## MEDEIROS FERREIRA CRITICIZES DEMOCRATIC ALLIANCE

Lisbon EXPRESSO in Portuguese 31 May 80 p 2

[Text] "I personally support the reelection of Gen Ramalho Eanes," said Medeiros Ferreira during an interview with RTP [Portuguese Radio and Television]. During the interview he leveled several criticisms at the AD's [Democratic Alliance] parliamentary actions. According to Medeiros Ferreira the AD has not made use of the "Reformers" in its parliamentary activities.

During the interview Medeiros Ferreira added that the alienation is perhaps due to the fact that the PSD [Social Democratic Party] and the CDS [Social Democratic Center Party] are convinced that they by themselves will be able to capture the majority of the Portuguese electorate. Medeiros Ferreira considers this to be a very improbable hypothesis.

After bemoaning that up to now there has not been any pronounced activity of the reformers and the social democratic components of the alliance, Medeiros Ferreira stated that the reformers have been having immense functional difficulties in parliament due to a lack of support from the AD.

With regard to the presidential elections Medeiros Ferreira, after stating that he personally favors the reelection of Ramalho Eanes, said that it was possible that his group would adopt a neutral stance [in this matter].

CSO: 3101



## ARTICLE LOOKS INTO IMPACT OF BREAK WITH IRAN

Lisbon O JORNAL in Portuguese 30 Apr-8 May 80 p 20

[Article by F.V.: "Break With Iran Could Mean Annual Loss of 1.6 Million Contos]

[Text] The government's decision to break all economic and commercial ties with Iran could mean losses on the order of 1.6 million contos a year, with the loss of 153,000 contos in exports and a possible additional expenditure of 1.49 million contos to purchase oil in the free market, oil normally purchased from Iran.

The fact that the Ministry of Industry and Technology has allocated a similar amount (1.8 million contos) in the OGE proposal for 1980 gives some idea of how strictly the present government interprets the country's interests and how its austerity policy is to be applied.

It is certain that the government argues the need to adhere to the rules of international law, and it is not hard to recognize that the attitude of the Tehran authorities with regard to the American hostages offers an easy excuse to attack a political process that, Islamic slant notwithstanding, threatens Western interests in a vital area of the world.

The fact is, however, that even from a government presided over by Sa Carneiro one would expect a position more in keeping with the severity of the nation's economic problems. One demonstration of this is that, in their recent meeting in Luxembourg, the EEC foreign affairs ministers decided only to refrain from establishing new economic relations with Iran.

Everything indicates that Sa Carneiro's stand is at once an attempt to overcome the Carter administration's reservations about the Sixth Government and an effort to enhance the latter's political image in Europe. The prime minister is currently embarked on a trip to the major EEC countries. The trip, which was postponed once because some of the prime ministers in the host capitals were otherwise engaged, was threatening to go unnoticed. To give his trip the appearance of a gesture of a new Metternich, shaking up the torpid Europeans with the brilliance of his unalloyed genius,

Sa Carneiro determined to combine his trip with the dubious certification of heading the first European government to break all economic ties with Iran. Others will pay the bill.

#### Economic Relations With Iran

In 1979 Portugal imported from Iran 7.47 million contos in petroleum, 5,970 contos in hides and 36,740 contos in raw cotton.

Exports to Iran reached about 153,290 contos, distributed as follows: fresh or dried carob (3,570 contos), lumber (16,310 contos), semi-finished cork (6,330 contos), ropes and twines (2,580 contos), molding boxes (9,600 contos), cotton thread (3,540 contos), cast iron products (6,133 contos), locks and bolts (1,920 contos), vegetable fats and oils (101,970 contos).

It is noted that most of these exports consist of traditional products for which it would be difficult to find alternative markets right away. From the products mentioned and the respective quantities, it can also be concluded that small and medium enterprises will be most affected by the break in relations with Iran.

#### Costs of Loss of About 1 Million Tons of Iranian 'Crude'

In 1979, Portugal imported about 8 million tons of petroleum, of which we consumed about 7 million tons, and exported the rest as refined products. Iran supplied 19.8 percent. For 1980, we are already guaranteed 7 million tons (irrespective of the fact that Iranian authorities have threatened to "blacklist" any company that sells Portugal oil purchased in Iran), and it may be possible to increase the percentage of "crude" imported from some countries. Thus, the United Arab Emirates, which supplied 3.8 percent in 1979, will supply 14 percent of all our oil imports this year. Iraq, traditionally Iran's political enemy, raised its contribution from 37.8 percent to 48.3 percent. The Nigerian supply, in turn, has gone from 3 to 7.5 percent.

In addition, Portugal has begun to import "black gold" from some countries that are not traditional suppliers. In 1979, Portugal imported no oil whatever from Venezuela. This year Venezuelan sales to Portugal will amount to 7 percent of our imports of "crude."

Although it has been alleviated, however, the problem still exists. The government is proposing a growth in the GDP of about 3.6 percent this year, which presupposes an increase in energy consumption (despite the promotion of conservation measures).

Hence it must be borne in mind that we will still have to acquire about as much oil as Iran has furnished in the past, and it will have to be purchased on the free market, where prices are currently about \$35.00 a barrel (or 20 percent more than the price set by Iran).

If this becomes necessary, Portugal will spend an additional 1.49 million contos.

In any event, it should be noted that, regardless of such an eventuality, the loss of Iranian oil supplies will mean that Portugal's refineries will be using a smaller percentage of their installed capacity, meaning losses to them of hundreds of thousands of contos.

6362

CS0: 3101

## 'SOCIALIST FRONT' BEGINNING TO TAKE SHAPE

Lisbon O JORNAL in Portuguese 23-29 May 80 p 40

[Text] The intensification of the program principles of the so-called "Socialist Front" will be the task for 12 working groups, comprised of members of the forces most directly linked with that plan.

The negotiations, which at first included the PS [Socialist Party], ASDI [Independent Social Democratic Association] and UEDS [Leftist Union for Socialist Democracy], have been extended during the past 2 weeks to the Base-FUT [United Workers Front], RAS [Socialist Reflection and Action] and CES [Socialist Studies Center]; and it is anticipated that, in the future, they will also include the MSD [Social Democratic Movement]. Apart from the formal negotiations, contacts have also been made with various independent personages, including the figure of Maria de Lurdes Pintasilgo in particular.

At the moment, the electoral manifesto prepared by Antonio Reis, which summarizes previous proposals of the three political forces most directly involved in this process, is virtually finished. After deep-seated changes in the original PS plan, there are still some differences regarding the organic agreement, specifically concerning the decision-making process (on which there is an alternate proposal from the ASDI), and the distribution of deputies' seats. The election campaign, and the manner of institutionalizing the "front," as well as the respective parliamentary representation are issues on which there appears to be widespread consensus. In the area of constitutional revision (according to our sources) there is also an extensive area of coinciding opinions, especially regarding the refusal of the referendum and the material limits (which would be those stipulated in Article 290).

The coalition program will be developed by 12 working groups, soon to be established, which will discuss such varied matters as the economy and housing, including health and the news media. As for the shadow-government, there is only one document on the agenda, prepared by the UEDS, which provides for the structure and operating methods. The distribution of ministries and the names to be included in this structure have not yet been discussed at the meetings held to date.

Since what a source close to the Front terms "the first phase of the negotiations" appears to have ended, the state of affairs is to be decided by the entities heading each of the forces concerned with the plan. It was for this purpose that the ASDI and UEDS had meetings of their respective political leaders last weekend, while the PS' Administrative Committee discussed the matter on 21 and 22 May.

On Wednesday, the Socialists held a preliminary discussion of the matter, without reaching any conclusion. The meeting of the Administrative Committee also began very late, owing to the parliamentary work at Sao Bento; and began with an analysis of a topic relating to the collection of funds. With regard to the "Front," the PS, because of the lateness of the hour, virtually confined itself to hearing an introductory speech from Vitor Constancio and Jose Manuel Galvao Teles. After several (a few) speeches, it was decided to continue the debate last night, on Thursday.

Insofar as the Base-FUT, RAS and CES are concerned, they will announce their position this morning, at a joint press conference.

2909

CSO: 3101

## NEWLY FORMED NATIONAL FRONT BROADENS CONTACTS

Lisbon O JORNAL in Portuguese 23-29 May 80 p 38

[Text] The newly formed National Front is reportedly attempting to diversify its political support which, up until now, has been confined almost exclusively to personages from markedly right wing sectors, polarized around the weekly publication A RUA.

According to National Front sources, an effort in this direction has been made with "some success," and observers close to the organization admit that the presence of Prof Jacinto Simoes, the acting Grand Master of Freemasonry in Portugal, among those attending a lecture by Guedes da Silva (one of the most active promoters of the FN) may be related to the aforementioned efforts.

Meanwhile, in its 15 May issue, the weekly publication TEMPO, which is generally considered to be politically close to the Democratic Alliance [AD], when inquiring about the true nature of the National Front, went so far as to cite a theory claiming that this organization is "a wily strategic machination designed to take the absolute majority of deputies away from AD, by winning from 2 to 3 percent of the votes."

Concretely, what is known is that Guedes da Silva is politically identified as a monarchist who claims to be an inventor of a "national right wing" (with an extreme-right quality); but he calls for a substantial improvement in Portugal's relations with the African nations having Portuguese as their official language, before any agreement for membership in the European Economic Community is concluded.

Two weeks ago, O JORNAL admitted first-hand, on the basis of information from sources close to the FN, that the organization might back General Eanes' second candidacy, in the event that the latter materialized.

It is considered certain that one of the reasons that would prompt the FN leaders to back Ramalho Eanes would be a certain harmony of views regarding the need to maintain good relations with the former colonies.



Furthermore, this week Guedes da Silva went to Angola, and was met at the airport in Luanda by the Angolan ambassador to Lisbon, Adriano Sebastiao, and by protocol officials. He has already held meetings with the deputy minister of education and the minister of foreign affairs, who tendered him a luncheon. Today, he is scheduled to meet with President Jose Eduardo dos Santos, returning tomorrow, Saturday, to Lisbon, from which he will depart the next day on a trip to China, where he plans to set up a resin factory near the border with Macau.

2909

CS0: 3101

## PCP SENDS GREETINGS MESSAGE TO GUADELOUPE CP CONGRESS

Lisbon AVANTE! in Portuguese 15 May 80 p 3

[Text] On the occasion of the Seventh Congress of the Guadeloupian Communist Party [PCG], which is scheduled to take place on 16-18 May, the Central Committee of the PCP [Portuguese Communist Party] sent the following telegram of congratulations:

Dear Comrades:

The Central Committee of the Portuguese Communist Party sends heartfelt greetings to the Seventh Congress of the Guadeloupian Communist Party, and through it, to all the communists, workers and democrats of Guadeloupe.

The PCP has followed with interest and attention the political situation and the development of the working masses' struggle against the policy of colonialist domination directed by the French Government and carried out locally by the corrupt bourgeoisie subjected to it.

The Portuguese communists express their steadfast support for the struggle led by the Guadeloupian Communist Party in the defense of the workers' interests, against unemployment and poverty, against repression, for the termination of the colonial regime, for national liberation and self-determination and for the right of the people of Guadeloupe to be free and to control the destiny of their own country.

Dear Comrades:

In the international situation, the constant maneuvers and provocations by North American imperialists and their allies, an example of which is the military maneuvers recently announced in the Caribbean area, reflect their true objectives: to impede the peoples' struggle for national liberation, for social progress and socialism, and to hamper the irreversible process of world revolution.

While the crisis besetting capitalism intensifies, the role of the USSR and the socialist countries in the development of the worldwide process is being reinforced, and the struggle of the peoples of Africa, Asia and Latin America is winning new and major victories.

The resolve and determination of the patriotic and revolutionary forces in Latin America recently led to the liberation of the people of Nicaragua from the bloody Somoza dictatorship, and to the establishment in the country of a progressive regime led by the forces which heroically fought for national and social liberation (the Sandinist National Liberation Front), and, in Southern Africa, to the conquest by the people of Zimbabwe of their independence, thus dealing a severe blow to the criminal racist policy in that part of Africa.

The PCP is in solidarity with the struggle of the peoples fighting against fascism, imperialism and colonialism, particularly the peoples of Latin America, where the national and social emancipation movement is experiencing new and important progress.

Despite the setbacks that they have suffered, the imperialists have not disarmed. The most reactionary and aggressive circles of North American imperialism and of NATO have headed toward a policy marked by positions of force, armed confrontation and hostile ventures, which is jeopardizing the peace and security of peoples.

However, the forces of social progress and peace, if united, are in a position to successfully confront the forces of reaction and war, and to attain new success on the path of democracy, national independence and socialism. In this regard, the PCP considers the strengthening of the unity of the international communist movement, and the unified action of all democratic, anti-imperialist and peace-loving forces in the world to be of critical importance.

Dear Comrades:

In Portugal, we recently marked the sixth anniversary of the April revolution. The working class and the Portuguese people joyfully and confidently celebrated the revolutionary conquests that have been achieved (agrarian reform, nationalizations and control of management), but which are now being seriously threatened by the reactionary government established in power after the last elections.

The anti-people and anti-democratic policy of this government, which is aimed at destroying the revolution's conquests and the democratic regime stipulated in the Constitution, and setting up another dictatorship, is facing an increased and staunch opposition from a broad popular mass movement, in which the PCP has a decisive role.

On May Day, culminating a long period of demonstrations, gatherings and strikes which took place all over the country, the workers, through large-scale demonstrations, demanded the dismissal of the present government, and asserted their determination to defend the revolution's conquests.

Our party trusts in the combativeness of the working class and of the workers and, in the struggle for the unity of all democratic forces, it will spare no efforts nor sacrifices to defend the workers' interests, to defeat the subversive plans of the reactionaries and their government and to insure the continuation of the Portugal of April.

Dear Comrades:

We express our best wishes that the work of the Seventh Congress will be a real contribution to the struggle that your party is heading for national liberation and self-determination, and for the establishment of a genuine popular and democratic government for the people of Guadeloupe.

We voice our combative solidarity and our desire to continue acting on behalf of the reinforcement of the bonds of fraternal friendship between the Portuguese Communist Party and the Guadeloupian Communist Party, based on the principles of Marxism-Leninism and proletarian internationalism, and on the interests of our two peoples.

Long live the Seventh Congress of the Guadeloupian Communist Party!

Long live the friendship and solidarity between the Portuguese Communist Party and the Guadeloupian Communist Party!

Long live proletarian internationalism!

2909

CSO: 3101

## WORKERS SHUN UNIONS, LOOK OUT FOR OWN INTERESTS

Lisbon EXPRESSO in Portuguese 17 May 80 p 4

[Poll done by CONTAGEM]

[Excerpt] The fourth question was directed at establishing who (or what) those persons interviewed had confidence in in defending their professional interests.

From the outset, the absolute majority (52 percent) only trusts itself. The second source of trust is the labor union (20 percent) but it comes in a distant second. Employers and government clearly enjoy less confidence but the government (7 percent) does better than employers (4 percent).

Those districts where most individuals put their trust in themselves are Lisbon and Santarem (both districts had 55 percent), the one where labor unions enjoy the greatest trust is in Porto (37 percent)--which is also the district where the employers enjoy the highest level of trust (6 percent) and the government enjoys the least amount of trust (2 percent).

Two percent is also the record lack of confidence received by the labor unions in Santarem. Also in Santarem the employers only received 2 percent and it is the district where the government receives the highest marks (17 percent).

Chart 4

Total number of persons interviewed--	Lisbon 150-100%	Porto 100-100%	Aveiro 80-100%	Santarem 70-100%
Individual	55	46	52	55
Labor union	21	37	21	2
Association	2	3	2	-
Employers	5	6	2	2
Government	7	2	3	17
No response	10	6	20	24

CSO: 3101

## IMPORT POLICY BLAMED FOR TRADE DEFICIT

Lisbon O JORNAL in Portuguese 23-29 May 80 p 39

[Text] It is admitted by generally well informed sources that an excessive granting of import licenses (including luxury items) may have been the deciding factor in a very negative balance of nearly half a billion dollars that has now been discovered in the balance of current transactions with foreign countries during the first quarter of 1980.

This situation is in marked contrast to the one which occurred in all quarters last year, at the end of which there was a positive balance of \$54 million, the same sources stress, calling attention to the fact that the remittances of the emigrants and the revenue from tourism have remained stable, or have even improved this year.

Under these circumstances, the aforementioned "red" balance can only be explained by the deterioration in the trade balance, for which what is described as a demagogic policy of granting import licenses is greatly to blame.

During previous years, namely 1978 and 1979, the government authorities attached great importance to the policy of maintaining equilibrium in the balance of current transactions with foreign countries; but, for political reasons, the present government decided to soften the measures which were in effect until it took office. These measures were reflected in bureaucratic difficulties with imports, the only means of evading the terms of the international agreements which do not allow the fixing of quotas on products to be imported.

According to experts, the revaluation of the escudo, with the maintenance of sliding peg devaluation, has benefited the major importers who are capable of purchasing large volumes abroad, and who thus accrue a considerable profit at the outset, in addition to facing the prospect of substantial subsequent gains from the sale of large stocks which have been stored in the meanwhile.

On the other hand, imports of certain raw materials, such as cotton, for example, are to be restricted, which could result in serious difficulties in the area of production and employment. Furthermore, some business firms and individuals are starting to complain about problems in gaining access to credit, but this is apparently only due to the fact that the volume of loans requested has increased excessively, owing to the aforementioned "demagogic" policy of granting import licenses.



## POLL INDICATES CONTINUATION OF EARLIER TRENDS

Stockholm DAGENS NYHETER in Swedish 22 May 80 p 2

[Editorial by Tore Winqvist: "Undercurrents"]

[Text] The Swedish people are characterized by stability, at least politically, according to the DAGENS NYHETER/IMU [Institute for Market Research] measurements in April. All changes are within the margin of error. The [nuclear power] plebiscite (23 March, if anybody remembers) had that little effect on party preferences.

But beneath the surface there are a few mutually opposed currents. The Center's sympathizers now consist of 21.1 percent of the women and 12.3 percent of the men [interviewed], while the Social Democrats, conversely, are 40.6 percent of the women and 49.4 percent of the men. That tendency existed in the Center's case as well as for the VPK [Left-Wing Communist Party] earlier but has increased strikingly, and it must have something to do with the nuclear power question. Previously Social Democratic women, after their "defection" in the plebiscite, may have gone over to the Center Party, while the Center men who voted for Line 2 may have gone in the opposite direction.

The Liberal Party once more lost a bit, but is still best as second choice for every fourth voter, while the Social Democratic Party is conceivable for very few outside of its faithful members. That largely reflects the fact that the bloc boundary has kept or possibly even strengthened its hold on the minds [of the voters]. At the same time, the Social Democrats' voters feel little distance from and aggressiveness toward "the bourgeois," in clear contrast to most of the party activists. Sooner or later this difference in attitude should become conscious and a problem for both groups. But presumably the big conflict--just after the IMU survey--will not suffice to alter the views of the Swedish people very much.

8815

CSO: 3109

## POLL SHOWS CONSERVATIVES GROW AT EXPENSE OF LIBERALS

Stockholm DAGENS NYHETER in Swedish 22 May 80 p 6

[Report by Sven Svensson]

[Text] The Conservative Party has increased its voter sympathies by 1.5 percent while the Liberal Party dropped the same amount. That is shown by the IMU [Institute for Market Research] voter barometer for April. The study was done after the plebiscite on nuclear power, but before the big conflict on the job market. Among the voters there is a socialist majority of 50.5 percent against 47 percent for the bourgeois parties.

The shifts between parties are all within the statistical margin of error. The parties that gained and lost sympathizers respectively appear to have done so more for other reasons than because of the nuclear power plebiscite. Gains are noted for the Conservatives and Social Democrats, who were proponents of expansion of nuclear power, while the Center Party and the Left-Wing Communist Party, which represented the so-called nuclear power opposition, show no change from the election results. The IMU study embraces a good 800 questioned voters and was done 8-30 April. The April study shows the following result:

Conservatives 23 percent, Liberals 7, Center Party 17, KDS [Christian Democratic Union] 1.5, Social Democrats 45, VPK [Left-Wing Communist Party] 5.5, and the other parties 1 percent.

Compared to the previous poll the Conservatives gained 1.5 percent and the Liberals lost 1.5 percent, while the Center Party's position is unchanged.

Within the socialist bloc the Social Democrats gained 0.5 percent and the VPK lost 0.5 percent.

The partial figures show that the Conservatives have a strong position in big city areas with over 200,000 inhabitants. In places of that size the Conservatives have 28 percent as against 23 in the country as a whole.

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DN [DAGENS NYHETER]/IMU MEASUREMENT OF VOTER OPINION

	2nd 26 Jan- 20 Feb 1980	3rd 10 March- 2 April 1980	4th 8 April- 30 April 1980
Number of qualified voters interviewed who had party sympathies (= base for %)	803	831	831
% that give as "best party":			
Conservative Party	22.5%	21.5%	23.0%
Liberal Party	7.5%	8.5%	7.0%
Center Party	18.5%	17.0%	17.0%
Christian Democratic Union	1.5%	1.5%	1.5%
Social Democrats	44.0%	44.5%	45.0%
Left-Wing Communist Party	5.5%	6.0%	5.5%
Other Parties	1.0%	1.0%	1.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
% of qualified voters who cannot or will not indicate "best party"	4.0%	3.0%	3.0%

Thus far four measurements of party sympathies have been done. No changes can be observed that exceed the margin of error.

The investigation was carried out within a nationally representative probability sample of Swedish citizens aged 18 to 74 years. The interviews were done by visits to their homes. The following question was asked: "What party do you think is best?" An election situation is simulated; the party preference is expressed with the aid of "ballots" and a "ballot envelope."

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The Center Party has a high score in thinly settled areas--24 percent as against 17 percent for the country as a whole and 9 percent in big city areas.

#### Male-Dominated

The Social Democrats have 46 percent in big city areas against 45 percent on the average, but 52 percent in places with between 20,000 and 200,000 inhabitants.

In big city areas the VPK has 8 percent of the voters, against 5.5 percent on the average for the whole country. In thinly settled areas the VPK has 4 percent.

Partial results show that the Conservatives and the Social Democrats are male-dominated parties, while many more women than men support the Center Party. Twenty-five percent of the men and 20 percent of the women voted Conservative. Corresponding figures for the Social Democrats are 49 percent men and 41 percent women, and for the Center 12 percent men and 21 percent women. The VPK has relatively the strongest position among youthful voters; 11 percent of the voters aged 18 to 29 support the VPK, 47 percent the Social Democrats, 6 percent the Liberal Party, and 15 percent the Conservatives. Relatively, the Conservatives have the weakest position among the young. On the other hand, the Conservatives have the relatively strongest position in the oldest age group, 50-74. There 28 percent support the Conservatives, 9 percent the Liberals, 18 percent the Center, 42 percent the Social Democrats, and 3 percent the VPK.

#### Four Barometers

Since the election the IMU has done four voter polls, and according to a long-term trend the Conservatives appear to be a few percentage points above their election results. For the Liberal Party the measurement results vary, but the drop compared to the election can be stated as a few percentage points. The Center Party is quite stable.

Within the socialist bloc the Social Democrats are about one percent above the election result. On the other hand, the upswing for the VPK that many expected after the plebiscite on nuclear power seems not to have taken place. The voter barometers indicate a long-term stabilization around the election result with rather a declining trend.

Between the blocs the situation is unchanged with 50.5 percent for the Social Democrats and the VPK against 47 percent for the three bourgeois government parties.

#### SIFO's Figures

From the point of view of method, IMU's and SIFO's [Swedish Public Opinion Research Institute's] figures are roughly comparable. SIFO's latest voter barometer was done between 9 and 22 April. In it the Conservatives got 24.5 percent, the Liberal Party 7, the Center Party 16.5, the Social Democrats 44.5, and the VPK 6 percent.

The deviations amount to little or nothing except for the Conservatives, where IMU reports 23 percent and SIFO 24.5. But the trend is that IMU indicates a rise and SIFO a decline, so that the curves will probably soon intersect.

IMU also asked about the second best party. Of the voters interviewed, 12 percent gave the Conservatives as second best party, 25 percent the Liberals, 20 percent the Center Party, 10 percent the Social Democrats, and 15 percent indicated no alternative. The changes compared with the preceding study are small.

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## U.S. TRADE RESTRICTIONS ON USSR THREATEN DATA FIRM

Stockholm DAGENS NYHETER in Swedish 21 May 80 p 34

[Text] The American trade blockade against the Soviet Union threatens a billion-kronor Swedish market. The Swedish computer firm Datasaab again risks having difficulties with its exports to the Soviet Union due to American trade-policy regulations from the days of the cold war.

It is the Swedish computer firm's second big order from the Soviet Union that is now nearing the end of negotiations and the writing of the offer, but as the situation is now there is an export ban on the Swedish firm's air traffic control equipment.

Certain parts come from the United States and are regarded there as "strategically important equipment," and such equipment is not getting the necessary export licenses now.

That is part of President Carter's protest against the Soviet invasion of Afghanistan.

"We are not especially uneasy," says Bengt Gustavsson, of Datasaab, "the Americans change trade policies the way I change shirts, so there will surely be a change in time. It will still be several months before the final offer and order, but from the very beginning, when the then Stansaab got the first order, it was clearly stated that there would be more to come."

## Harvest Time

At that time it was the now completed traffic control system for the Moscow flight area, and that time, too, the deal almost fell through because of the American trade regulations. But at the last moment the Swedish firm got the go-ahead and was able to take the 1977 order, then worth over 300 million kronor.

Now, by all indications, it is a matter of an installation at Kiev, and now is the time for Datasaab to reap the profits from the work. The first order in such big installations as this is rarely profitable. The next one should pay the profit and pay for part of the work on the first.

Datasaab, half owned by the state, has long been a problem concern, and this branch, "interactive data systems," has great difficulties.

Right now work is under way to reorganize the division just to make it less dependent on a few individual customers. Last year Datasaab had a turnover of 900 million kronor and went in the hole 200 million kronor.

"The Soviet Union is a big, important market that is interested," says Bengt Gustavsson, but he will not go into how big and how interested.

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## REPORT SHOWS INCREASE IN CONSCIENTIOUS OBJECTION REQUESTS

Stockholm SVENSKA DAGBLADET in Swedish 21 May 80 p 4

[Report by Erik Lidén]

[Text] Last year 2,613 conscripts got non-combatant service, the highest figure registered since the new non-combatant law came into force on 1 July 1978. Every fifth conscript is now asking for non-combatant service.

At the same time the total refusers, who refuse all service within total defense, dropped to 542, a 50-percent drop since 1974. The new non-combatant law takes a more liberal view of refusal to bear arms and use force.

Three out of four applications have therefore been approved since 1978 as compared to only half previously. In 1967, 1,112 asked for non-combatant service as compared to 3,455 in 1979. But the rate of increase has declined somewhat in recent years. In 1979 it was 10 percent against 22 and 14 percent in 1977 and 1978 respectively.

When the government wrote the non-combatant bill and the Riksdag passed it, there was political agreement that it was still a legal exception to general conscription.

The government set no ceiling on how many non-combatant military organizations there can be. But during the work on the legislation about 4,000 non-combatants a year was mentioned as a reasonable figure. Another problem, which has not been finally solved, is finding suitable tasks and training (about a year) for the non-combatants. That is under discussion now.

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## ADVISER WARNED MILITARY ON POOR DEFENSE SITUATION

Stockholm SVENSKA DAGBLADET in Swedish 23 May 80 p 4

[Report by Erik Lidén]

[Text] The Ministry of Foreign Affairs confirmed Thursday that on 12 October 1979 Leif Leifland, secretary of the cabinet, gave several ministers a memorandum expressing grave concern about **defense** developments in Sweden.

The three-page memorandum was dropped in the laps of the ministers concerned with security policy, foreign policy, foreign-aid policy, trade policy, and defense policy. Leifland states that the governments of Finland, England, West Germany, and the United States have communicated their uneasiness concerning the hollowing out of the Swedish armed forces.

"There is a risk that the NATO leadership no longer believes Sweden can stand against a Soviet attack. This may force NATO to put pressure on Denmark and Norway to allow NATO to strengthen defenses in those countries even in peacetime.

"That in turn may lead to similar Soviet measures in Finland, whose neutrality and independence will then be endangered," according to the memorandum.

Mats Gullers, press secretary for Foreign Minister Ola Ullsten, confirms the content of the letter.

"It is the responsibility of the Ministry of Foreign Affairs to watch security policy developments and report to the ministers and authorities concerned."

Leifland goes on to say in the memorandum:

"If Sweden reduces its defense forces that will, in other words, be an invitation to escalated NATO involvement in Scandinavia. The Swedish government and the Riksdag must now realize that continued hollowing out of the Swedish armed forces will mean that we shall have both superpowers crowding in closer upon us. The stable situation in Scandinavia may be jeopardized."

STRIKE, LOCKOUT RESULT: REAL INCOMES UNCHANGED

Institute Measures Effects

Stockholm SVENSKA DAGBLADET in Swedish 17 May 80 p 27

[Text] The LO [Swedish Federation of Trade Unions] has succeeded in maintaining the wage-earners' real purchasing power for 1980. That is the conclusion drawn by the Institute for Economic Research, which has now calculated what consequences the agreement on the job market will have for the national economy.

The Institute for Economic Research has also compared the actual wage agreement with the government's original offer: a package including a price ceiling and tax reduction with largely unchanged wages.

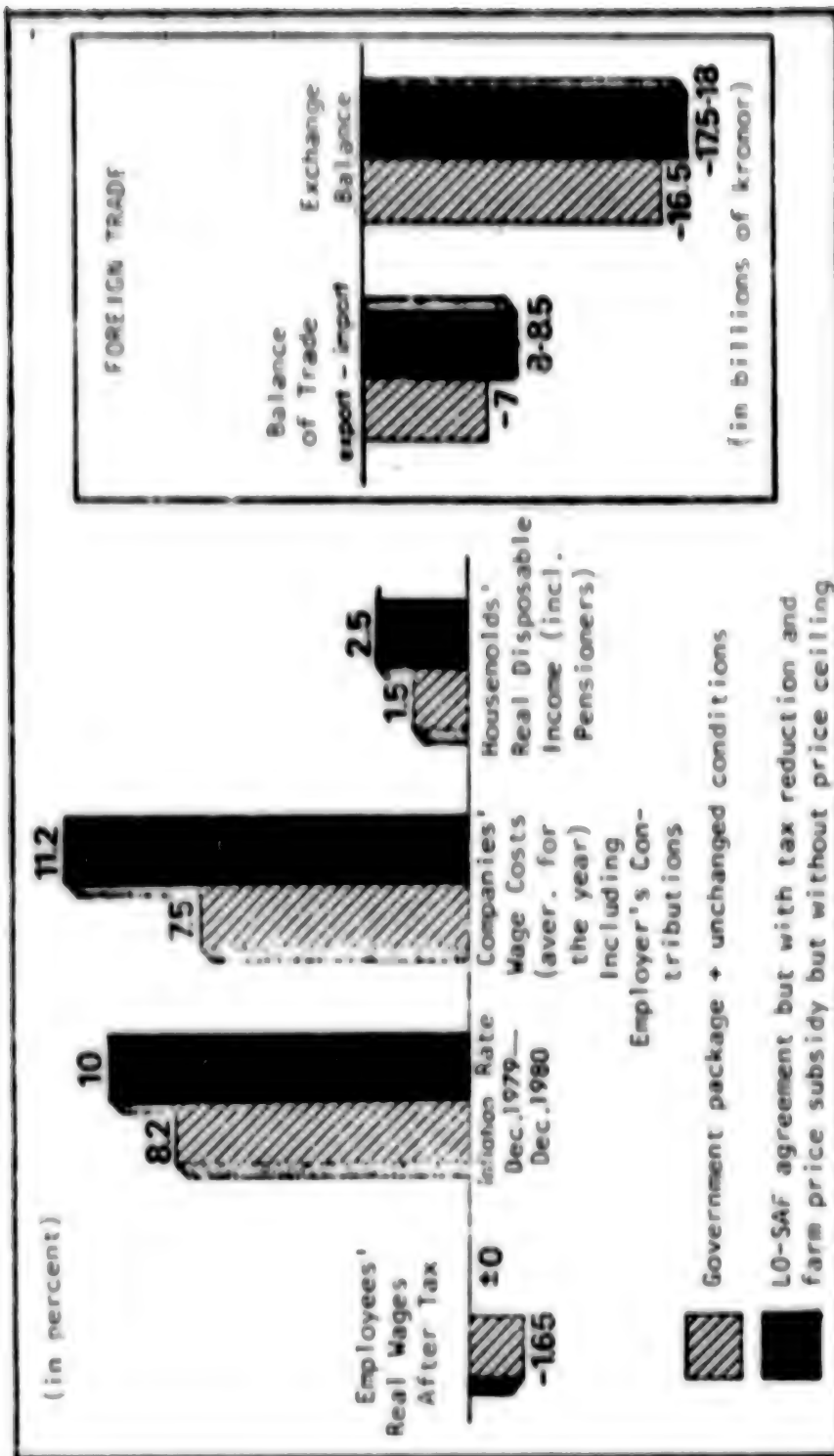
In the comparison the Institute for Economic Research assumes that the price ceiling has now been scrapped, but that the tax reduction will be kept and that farm price rises on 1 July will be subsidized. Another assumption is that the SAF [Swedish Employers' Confederation] will sign an agreement with private white-collar employees that follows the LO agreement in all essentials.

The forecast is largely the same as in the government's revised finance plan of April 1980.

It was based on the assumption that the wage-earners' organizations would accept the lower alternative and warned against the effects of a higher nominal raise.

"Inflation is getting higher, competitive strength lower, and unemployment greater. All this reduces the possibilities of future real-wage increases," Gösta Bohman, minister of economy, pointed out.

Since then, on Sunday, the Ministry of Economy has again revised the finance plan on the basis of the new assumptions. Thus far the maintenance of purchasing power is only on paper, Gösta Bohman says. He does not exclude the possibility that inflation will be higher than the 10 percent predicted. [See the chart on the next page.]



Effect of the government's proposal and of the actual agreement between L0 and SAF, according to the calculations of the Institute for Economic Research.

## Workers See 'Meaningless' Result

Stockholm DAGENS NYHETER in Swedish 16 May 80 p 10

[Text] The new agreement will not give the wage-earners any improved purchasing power for the rest of the year. That is the opinion of 77 percent of those asked in an opinion poll conducted by IMU [Institute for Market Research] for DAGENS NYHETER. And 81 percent say that a general wage increase is meaningless because it will only lead to inflation that will then eat up the extra income.

The poll was done Monday and Tuesday [12-13 May], after the agreements had been completed in both the private and the public job markets and the big conflict had come to an end.

Here are the questions and answers:

We have just had the biggest labor conflict in the history of Sweden. Which party do you think was most to blame for the conflict?

Employers' side: 28 percent  
Wage-earners' side: 19 percent  
Both sides equally to blame: 39 percent  
Don't know: 14 percent

Do you think the wage agreement is at an acceptable level from the point of view of the Swedish economy, or is it at too high a level?

Acceptable level: 41 percent  
Too high a level: 48 percent  
Other answers: -  
Don't know: 11 percent

Do you believe that under the new agreement wage-earners will get an improved real wage, i.e. better purchasing power, for the rest of the year?

Yes: 11 percent  
No: 77 percent  
Don't know: 12 percent

It was said in the debate that a general wage increase is meaningless for the reason that it only leads to inflation which eats up the wage increase. Do you share that view or not?

Yes, I share it: 81 percent  
No: 11 percent  
Don't know: 8 percent

Do you consider that the government did about as much as could be expected to facilitate the wage negotiations?

Yes: 50 percent  
No: 35 percent  
Don't know: 15 percent

Do you believe that all wage-earners should have the right to strike, or should there be certain exceptions?

All should have the right to strike: 52 percent  
Certain ones should be excepted: 43 percent  
Don't know: 5 percent

The last question read:

Do you consider that employers should have the right to "lockout" their premises; i.e., to exclude the employees from work?

Yes: 66 percent  
No: 23 percent  
Don't know: 11 percent

The survey is based on 318 interviews among the adult population of ages 17 to 74 years. The interviews were done Monday and Tuesday after the end of the conflict.

The statistical "margin of error" in the results, according to the IMU, is  $\pm 4$  to  $\pm 6$  percent.

#### Union Questions Poll

Stockholm DAGENS NYHETER in Swedish 17 May 80 p 10

[Report by Bo G. Andersson]

[Text] Reactions to IMU's recent survey of the Swedish people's attitude toward the big conflict and the wage agreement, presented in DN [DAGENS NYHETER] Friday [16 May], are very mixed. That is shown by some fast telephoning DN did to some unions and job-market organizations.

The SAF feels that the report--which indicated among other things that 8 out of 10 Swedes think that general wage increases are simply eaten up by inflation and are therefore meaningless--is a good reflection of reality. The wage-earners, on the other hand, reject the picture given by the report.

It was on Monday and Tuesday, the first two days after the solution of the big conflict, that IMU went out and asked 318 Swedes about their attitude toward the conflict.



On at least one point, according to Hans Olof Alfredson, head of IMU, the report gives a definite and statistically confirmed result: a clear majority of the Swedish people believe that the wage agreement will not lead to improved purchasing power.

Marianne Lundqvist, chairman of the nurses and vice chairman of the KTK [Women's Labor Union] is one of those who protest against this finding

"The answer you get depends on the question you ask; that is an old rule. IMU asks whether people believe that the agreement will lead to *increased* purchasing power. The question is wrongly put, since on our side there was never any question of anything but *maintaining* purchasing power," she told DN.

Marianne Lundqvist also says that the report is colored by the picture the mass media gave of the conflict.

#### "Foolishness"

"From the first day of the conflict the mass media contributed to building up a feeling that the wage-earners were engaged in mere foolishness. An imprecise picture was given of what the public sector really is.

"The mass media, for example, published uncritically the statements of certain heads of clinics about cancer patients that would die because of the conflict. The very first day of the strike heads of clinics went to the mass media and made that assertion. Everybody in nursing knows that as far as staffing is concerned that day could be compared with any holiday at all."

Bertil Whinberg, union chairman in construction, is another who does not spare criticism of the mass media's coverage of the conflict.

"There was a distressing unanimity in almost the entire press that the wage-earners' demands were unreasonable. Sometimes it looked as though the employers' confederation had written editorials and other comments."

With regard to the misgivings expressed in the report that wage increases are simply eaten up by inflation, Bertil Whinberg says:

"Of course those misgivings may prove justified. If the government does not actively do something to put the brakes on price increases, it is not impossible that we may get still worse purchasing power this year."

#### Enthusiasm

Whinberg sees the fact that only 11 percent of those asked in the IMU poll consider that general wage increases are meaningful as a distrustful statement against the LO's traditional wage fight.

"The response at the conflict meetings at construction sites was very good. The enthusiasm was great.

"It would be interesting to know what persons were interviewed in the poll," says Bertil Whinberg, who also thinks the interview base for the report was too small.

The employers, on the other hand, believe that the IMU report is a good reflection of public opinion.

"There is nothing strange about it if reality in the form of high price increases comes through in the mass media coverage and in this report," says Sture Eskilsson, the SAF's information director.

"We made similar surveys which show that the Swedish people have a good insight into the connection between wage increases and inflation.

"On the whole the mass media gave a true picture of the conflict," says Sture Eskilsson.

#### Mondebo: Economy Strong

Stockholm DAGENS NYHETER in Swedish 20 May 80 p 10

[Text] "Sweden's economy is still fundamentally good, but we cannot afford to make as big withdrawals as we are making now. It is irresponsible to take out so much in advance, to make coming generations pay for so much of our present standard of living."

Ingemar Mondebo, Liberal, minister of finance, said that to the Scanian Savings Bank Association at Malmö Monday. In that connection he took up the recent wage-agreement negotiations. An agreement with less increase and consequently lower inflation and more jobs would have been better for the future, he said, and gave "marks" to the parties:

"Higher wages inevitably bring about higher inflation, even with the most intensive price surveillance. No government can prevent that."

With regard to SAF, Mondebo said that they might perhaps have been more successful in their wage-agreement work if they had devoted themselves more to that and less to general socioeconomic ambitions.

On the government:

"Perhaps the government should have made our socioeconomic position clear earlier, together with the consequences of various decisions for growth, employment, prices, and social security."

On the Social Democrats:

"The opposition tried to make the wage-agreement campaign a party political matter and partially succeeded in doing so, but still did not reach their goal. It would have been better not to make use of the wage-agreement campaign that way in a fight that had been lost in the 1979 election."

Before the next wage agreement it will be necessary to have close collaboration between the government, the opposition, and wage-earner and employer organizations, said Mundebo. He did not want to speak of social contracts. But still there must be something of the kind, because economic policy, tax policy, and wage policy are so closely related.

Committee: Keep Job Program

Stockholm DAGENS NYHETER in Swedish 22 May 80 p 5

[Report by Börje Karlsson]

[Text] The emergency jobs must be kept for the time being. The new work-oriented education will be introduced privately, as fast as the municipalities can get started on it.

At least that is what the education committee of the Riksdag proposes. For the rest the committee backs the government's "youth bill."

The Riksdag will take a position on the bill (which was discussed recently in DN [DAGENS NYHETER]) on 28 May. The Social Democrats and VPK [Left-Wing Communist Party] will vote no. They consider, as Stockholm alderman John-Olle Persson (S [Social Democrat]) told DN yesterday [21 May], that "society is abandoning the young."

The bill provides that the emergency jobs are to be done away with for 16 and 17-year-olds and replaced with work training in plants and businesses. The government would like to have the bill passed by 1 July 1980, but the education committee considers a postponement necessary.

To Be Launched Privately

"The time for implementation is a weakness in the bill," says Claes Elmstedt (C [Center Party]), vice chairman of the committee. "The municipalities will not be ready by 1 July. The committee is not setting any specific date, but the municipalities will have to launch the reform privately. Meanwhile the emergency jobs must be kept as an alternative.

"The committee's bourgeois majority, however, does stand behind the actual basic philosophy of the bill," Claes Elmstedt continues. "Places will be provided for all 16-year-olds in high school."

The new "introductory courses" in the fall and the 40 weeks of occupational training and "plant-located" courses will be a complement to the ordinary high-school courses.

It is only in exceptional cases--such as an extraordinary influx--that it will be necessary to provide emergency employment.

#### Demonstration in Stockholm

"Many youths are giving up getting an education and a secure future and are succumbing to the temptation to take an emergency job instead," says Elmstedt. "These temporary jobs will be their first contact with working life. It can be almost ruinous for them."

In Stockholm upper level and high-school students and youths with emergency jobs are to demonstrate today [22 May 1980] against the government's bill. They will also call upon ministers Britt Mogård and Rolf Wirtén, who are backing the bill.

In Stockholm alone at least 300 youths of 16 and 17 have emergency work. They earn about 3,000 kronor a month. Should they go to school they would only get study support of 233 kronor a month. For many youths and their families that can become an economic problem.

"In the worst case the municipality will have to hire the young emergency workers; otherwise they might have to apply for welfare," Hans-Erik Andersson (S), an alderman in Haninge, told DN yesterday.

Claes Elmstedt still thinks the most important thing is for the youths to get an education.

"Later I hope we can raise the study support as state finances permit," he says.

The youth bill has also been discussed in the job market committee.

"We are also assuming that the emergency jobs will be kept during a transition period," says committee member Pär Granstedt (C). "The anxiety that there will be a crisis in certain municipalities is unfounded."

"The idea is that in time these youths will be switched over to the plant-located training," says Granstedt. "But even in the future there must be emergency jobs--to the extent they are needed. After all, that is indicated in the bill, too."

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## CHEVALLAZ ANNOUNCES NEW TANK WILL BE MADE IN SWITZERLAND

Geneve JOURNAL DE GENEVE in French 7 May 80 p 15

[Article by Jean-Pierre Gattoni]

[Text] Georges-Andre Chevallaz, head of the Federal Military Department (DMF), has made his decision: the Contraves S.A. enterprise, an affiliate of the Swiss firm Buehrle, will be the licensed general contractor for the Swiss Army's new combat tank. This preliminary initial decision precedes any announcement of the "identity" of this new combat armored tank intended to replace the obsolescent Centurion. However, the German Leopard 2 seems to be the leading favorite, followed by two outsiders, a British tank and the American XM-1.

It was already known last December that the Federal Council had abandoned plans to build our own combat armored tank in Switzerland. This decision was reached after a preliminary study done by the Buehrle-Contraves S.A. firm in Dierlikon. The study was concerned with policy and procedure for producing a Swiss tank. The firm received 30 million for this purpose. Other studies were also conducted to examine conditions under which the army might acquire foreign tanks. In spring 1979, Contraves presented its proposals to DMF. These were considered by the armaments commission, the armored tank commission, and the military commission. An agreement was then reached, leading to the subsequent decision of the Federal Council: it was deemed appropriate to abandon plans to develop our own combat armored tank in Switzerland.

Three main reasons appeared decisive to the Federal Council: the Swiss tank would be more costly; delivery dates would be less satisfactory than those of the Leopard 2, for example, for which a first delivery would already take place in 1985; and finally, the technical risks of development in Switzerland would be too great. However, the concerned Swiss industries received assurances that all efforts would be made so that they might participate in the building of the new tank.



## A Consortium of Enterprises

The DMF decision establishes Contraves S.A. as general contractor and entrusts it with the studies necessary for licensed construction for the new tank. The general contractors will be assisted by a consortium of industries interested in this construction. Here are more details on the order received by Contraves: the Zurich firm must submit a fixed bid on costs, delays, effects on the job market, and advantages of licensed construction. On the other hand the firm will not participate in evaluating the military and technical aspects of the design under consideration.

The choice made by Mr Chevallaz' department occurs just in time to settle the undercurrent of competition which, according to the Zurich daily TAGES ANZEIGER, has been waged in recent months by Swiss industrialists and the Munich firm Krauss-Maffei which is building the German Leopard 2. In the past few months, the West German concern has attempted to obtain the general contract in case the Leopard 2 proved to be the final choice. DMF's decision is therefore timely. Otherwise the Swiss industries might have been awarded only minor subcontracts. There is no doubt that the Swiss industry has just won a small victory. This feeling is reinforced by the fact that the powerful Munich firm Krauss-Maffei unhesitatingly brought its weight to bear and spared no effort: in this connection it must be pointed out that on 20 March the director general of the Munich firm sent a telex to Charles Grossenbacher, head of the armaments group (which is authorized to purchase weapons), to make offers for general contracting should Switzerland decide to mass produce the Leopard 2. The Germans would not hesitate to state that a general contract awarded to a Swiss firm would extend delivery dates by one year, and more importantly, would increase the cost per tank by 500,000 francs, with a total cost increase of 200 million.

### As Early as 1985?

The Swiss Machinery Construction Society (VSM) had briskly countered this by saying that the Swiss were not intending to settle for crumbs left to them by the Munich firm. Mr Chevallaz' decision of yesterday is also consistent with promises made last December by the Federal Council. By selecting Contraves as general contractor before the new tank's design is even determined, DMF is disarming the Swiss industrialists' discontent and disappointment arising from the Federal Council's decision not to develop a Swiss tank. VSM, unlike the Federal Council, was rather optimistic in its estimates of construction costs for a Swiss tank: 450 new tanks would cost 2.85 billion (and not 4 billion), and would provide one year of employment for 28,000 men, while the licensed construction of the German Leopard 2 would cost 3 billion and would only provide jobs for 16,000 for one year.



Which tank will be chosen and what role Swiss industry will play in its construction are the questions which now remain. Six months ago Rudolf Gnaegi, the federal councilman who was then chief of DMF, spoke in terms of 60 percent to 70 percent participation. He also specified that the Swiss army would have these new tanks as early as in 1985.

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